The Bank of Nova Scotia 1974 Annual Report

FILE

TO HELP YOU GET THINGS DONE ΣΑΣ ΒΟΗΘΟΥΝ ΝΑ ΕΠΙΤΥΧΕΤΕ ΣΤΙΣ ΕΠΙΔΙΩΞΕΙΣ ΣΑΣ A SU DISPOSICIÓN PARA CUANTO NECESITE 助君達成願望 POUR VOUS AIDEZ À VOS AFFAIRES

OM U TE HELPEN UW PLANNEN TE VERWEZENLIJKEN لكي نساعدكم في إنجاز أعمالكم UNSER ZIEL: BEISTAND IN ALLEN IHREN VORHABEN 皆様の生活プランをお手伝いするために

Cover

The Bank's activity in serving the needs of people in many lands is symbolized on our cover. Helping people to accomplish their goals is one of our continuing objectives.

THE CHIEF GENERAL MANAGER'S REPORT

J. A. G. Bell
Executive Vice-President
and Chief General Manager
The Bank of Nova Scotia

Executive Vice-President and Chief General Manager's Report

The fiscal year which ended on October 31st was marked by a very satisfactory increase in earnings. After one year of relatively slow growth, our balance of revenue rose by 27.6% from $109.3 millions to $139.4 millions.

Total assets rose from $10,327 millions to $13,462 millions during the year. This is the largest increase on record in dollar terms, and in percentage terms it is the largest increase of the twentieth century. In recent years a strong expansion abroad has often accompanied less rapid growth at home and vice versa. But in 1974 developments produced substantial gains in both domestic and foreign business. Canadian assets rose by 25.6% and foreign currency assets grew by 36.7%.

Deposit Growth

Domestic growth was primarily based on rapid increases in our Canadian dollar deposits. The fastest growing category was personal savings deposits which were up by 28.3%. More than half the increase in our total Canadian deposits reflected the exceedingly sharp rise in the personal term area. Reference was made last year to the degree to which holders of personal term deposits were then reaching for yield and extending term. But the uncertainties of the last year and the inverse yield curve which developed had a striking impact on the maturity distribution of our personal term deposits, producing an enormous shift from the medium-term area to the short end where we paid up to 10.5% on deposits of $5,000 or more. At this kind of level, our rates attracted funds from many members of the saving and investing public who were evidently discouraged by conditions in the stock and bond markets. The high rates we offered also led some investors to switch from Canada Savings Bonds to deposits with us during the year.

There was, however, an abrupt turnaround just after year-end. The Canada Savings Bond campaign drained off substantial amounts of our personal deposits, especially our personal term deposits, underlining once again the strong competition for savers' funds and the sensitivity of deposits to interest rates. The funds which moved to Canada Savings Bonds are, nonetheless, in effect still with us, in the form of the unusually high Government balances, which are interest-bearing and which in large part should remain with us for some time. Such a huge swing in our deposit base illustrates the uncertainties which complicate our business planning.

Our demand deposits recorded slow growth over the year. Depositors naturally tended to economize on current account balances in view of the extremely high interest rates available on short-term investments. But we did manage to increase our market share in this area.

In the environment of strong demands for credit we relied fairly heavily on wholesale money market deposits to match our growth in loans and to support our portfolio of liquid assets. Large Certificates of Deposit, the most important of these, did rise substantially over the year as a whole. But our ability to raise funds through them was at times seriously hampered by the interest rate ceilings on term deposits maturing in under one year agreed upon by the banks and the authorities, the so-called "Winnipeg Agreement". While we could have bid aggressively for Canadian dollar deposits of one year or more, we relied on foreign currency deposits mobilized by our international side and then swapped on a fully hedged basis into Canadian funds for financing our domestic operations to a greater extent than in the past. To some degree this depressed our interest margins and we have taken advantage of the slightly easier conditions of the past few months to reduce our reliance on this source of funds.

On the foreign currency side, deposits rose by no less than 39.2% during fiscal 1974. A gain of this magnitude, in the circumstances of the year, clearly indicates the high standing of The Bank of Nova Scotia in the world's financial markets.

Asset Growth

There were very strong gains in our lending activity both domestically and internationally. In Canada the requirements of our commer-

cial and industrial customers were a major factor. Over and above the substantial increase in our domestic loan volumes, we had considerable recourse to bankers' acceptances and loans in foreign currency to stretch our limited resources and accommodate the legitimate credit needs of Canadian business. Besides the "double digit" inflation which has distorted so many aspects of business, the growth in our loans and the other financing we have arranged reflects the real growth arising from the expansion of our customer base, from business inventory accumulation, and from capital spending to meet the pressing demands of the moment and of the future. Despite the tighter conditions of a year when our prime rate for lending to larger businesses rose in four stages from 9% to 11.5%, we continued our commitment to sustaining the flow of credit to smaller businesses and to the less prosperous regions of the country. We continued to apply a specially favourable base rate to our loans to smaller business borrowers.

Our consumer credit balances also rose sharply, though the growth in demands tapered down somewhat over the year. A part of the gain in our Scotia Plan Loans obviously reflected no more than the impact of inflation on the dollar volume of consumer spending but there was also real growth in the year. The outlook, however, is for slower increases in our outstandings during 1975. Rates on Scotia Plan Loans were adjusted upwards in 1974 but to a lesser degree than the general increase in the Canadian interest rate structure.

We have extended our leadership in the area of consumer credit by entering the area of mobile home financing on a large scale. The financing we offer has widened considerably the availability of this form of low-cost housing – something of particular importance to the less developed parts of the country. It appears to us that many existing government restrictions should be rethought in the light of the substantial contribution that mobile homes can make to solving Canada's housing problems. Already they account for something over 10% of the supply of new housing units coming on the market in Canada.

There was a very marked shift in the direction of the housing market during the year. In the first half of the year the boom conditions of the previous year or two continued, and there were very great demands upon us for mortgage funds. Around the middle of the fiscal year, however, credit conditions tightened abruptly. In addition to moving our mortgage loan rates up in line with the market, we thought it prudent to introduce some restrictions on loan-to-value ratios (though these restrictions have now been eased). The extraordinary inflation of house prices broke shortly afterwards. There has been a considerably lower level of activity in the market for existing houses and the rate of new housing starts has dropped off steeply. Demands on us for mortgage credit have therefore moderated considerably, even though we are continuing to make such credit available to individuals through our branch network. The net result of the year's activity was an increase of $151 millions in our holdings of residential mortgages, both conventional and insured under the National Housing Act. A substantial allocation of funds to mortgages is planned for fiscal 1975. But our plans are necessarily tentative until we have had a chance to assess the full impact of the large diversion of our personal savings and term deposits into Canada Savings Bonds; and the amount we will be able to make available will depend on developments during the year.

One major priority in 1974 was that of maintaining our portfolio of liquid assets. Our liquidity position did, in fact, deteriorate during the first half of the fiscal year. But starting in the spring we began a steady build-up of our holdings of Government of Canada bonds, adding $77 millions between the end of March and October 31 and bringing them to the highest level on record. Our holdings of $490 millions in Government of Canada Treasury bills at year-end were also a record and up by $162 millions from October 31, 1973.

It is immediately apparent that in a year when our foreign currency assets rose by 36.7%, there was very considerable progress in our international operations. After the big increases in deposits with banks during 1972 and 1973, a higher proportion than usual of the growth in

foreign currency assets in 1974 was channelled directly into loans. Some of this growth in foreign currency loans reflected our efforts to meet the financing requirements of our domestic customers. But a larger proportion represented the expansion of our international lending activities. A good part of this expansion was in the United States, where our efforts to seek out good new business were very successful. In the broader area of country and project financing, too, we were also very active. The quality of our international loan portfolio was a prime concern during this troubled year, but worldwide demands for credit were so strong that we were able to step up our lending substantially and at the same time maintain our strict lending standards.

New Development Projects

Last year we noted that Chargex was our largest new development project of the year. In 1974, our Chargex operation experienced phenomenal growth, largely because Chargex has become the most widely accepted credit card in Canada, but also because of our good service to the public. Because we joined in the Chargex group relatively late, we were able to take advantage of the most recent technology and therefore to achieve a relatively efficient organization in a short time. We have already exceeded our expectations as to share of market. There have been some startup problems, and we are continuously updating both the technology and the credit evaluation system. But we are satisfied that we have moved into a leading position in the credit card field in the short two years from decision to full operation.

Reference was made in the last report to "Scotiaclub", a new service offering our customers an "all inclusive" personal banking package at a flat monthly fee. This has been integrated with Chargex and is now coming into a profit position.

Not all new ventures succeed. Our Income Tax advisory service did not stand the test of acceptable profitability. It was tried experimentally in a limited number of branches in 1973 and the results were encouraging. But the considerably expanded test of 1974 indicated that we could not achieve the desired objectives, so we have turned our attention elsewhere.

Several other new ventures deserve some comment. The Scotiafund Retirement Savings Plan got underway in time to meet the February 1974 deadline for the 1973 income tax year and had a very successful first year. Demand leaned towards the deposit type of instrument but sales of the equity fund were very good in the light of difficult market conditions. For the 1974 taxation year, we have expanded this service to include a fixed term deposit and a mortgage investment trust.

Telaccount, our joint venture with Datacrown, supplies accounting services to small businesses through a telephone line hookup to a computer. In the past year Telaccount opened offices in Montreal, Vancouver and Hamilton, and continued to improve its technology to provide a simple, efficient service to small firms. The first users have been very pleased with this facility, and we think it has very good prospects.

"Consolidated Cash Plan" is another new service for our business customers. For firms with branch offices in different parts of the country, it provides a daily consolidation of their deposit balances, pooling their available funds and minimizing their borrowing requirements. Here again our objective is to serve the interests of the customer, on the philosophy that what is good for our clients will ultimately be good for the Bank.

Under its new management, Scotia-Toronto Dominion Leasing has opened its second office, this one in Montreal, and built up an experienced and skilled staff. The business has been in active communication about its leasing and term lending programs with our branches in those provinces where it is now operating and further expansion is planned.

Within a few weeks we expect the start-up of another specialized new associate, Scotia Factors Limited. This company will specialize in the assumption of credit risks on receivables and the administration of credit and collections. It will provide diversified financing for

corporate clients. Much forward planning has gone into this venture, including the development of sophisticated computer programs to handle this complex business. We have advance indications that this enterprise will be well received.

During the past year our range of services to the farming community has been enhanced through the introduction of Scotia Farm Services. This is an enlarged and consolidated program, features of which include the addition of experienced agrologists to the Bank's staff, the promotion of line of credit financing on a broader scale and the introduction of a life insurance service designed specifically for our farm clientele. Scotia Farm Services is under continued development and our goal is to strengthen even further our well established relationship with the farming sector.

Computer Development

The past year was one of major development in our computer systems. We purchased a large new computer at the top end of the line, adding it to the existing hardware at our Toronto corporate data centre. This entailed an extensive physical rearrangement of our facilities, including not only peripheral equipment and the Chargex on-line authorization centre, but also the installation of electrical backup equipment to protect our hardware and keep it operating in the event of interruptions to the power supply.

The data centre in Saint John, N.B., now just starting up, is the newest of our eight regional data centres, all of which are linked to our central facility in Toronto. Nearly 600 branches have the "demand deposit accounting" system, and about 150 branches have terminals for handling savings accounts. A new generation of branch terminals is on order, with installation expected to take place over the next few years.

Rights Issue

In March 1974, we decided to issue to our shareholders rights to purchase additional shares on the basis of one new share for each ten outstanding. This issue was successfully completed, with 97% of the offering of 1,687,500 shares being taken up at the issue price of $33.50. The balance of 51,000 shares representing fractions of shares and unsubscribed stock, was sold to the sponsoring group of investment dealers. Altogether, the rights issue raised $56.5 millions, well over half of all new common equity issued by Canadian corporations in the first half of 1974. This in itself reflects how difficult conditions were in the stock market during the two months from the time the issue was announced until it was closed on May 15th. The management of the Bank is encouraged indeed by the confidence expressed by the shareholders. In a financial world suffering from serious strains, as the President has discussed in his Report more fully, it is gratifying to retain the support of the owners.

There has never been a time since the war when the liquidity of corporations has been under such close scrutiny as it is today. Banks, including those in the largest category such as ourselves, are no exception. We are very conscious of our obligations to ensure that the various tests of liquidity and soundness can be met, and are seen to be met. This includes the ratio of equity and capital funds employed to deposit liabilities, as well as the statutory and conventional liquidity requirements of a bank. The 1974 rights issue increased the equity capital of the Bank by $56.5 millions, of which $51.8 millions was paid up by year-end, the balance of $4.7 millions being due in instalments over the next six months. In addition, as the earnings statement for the fiscal year shows, we transferred $31 millions from accumulated appropriations for losses to rest account, thus bringing our total equity capital at October 31 to $403 millions. This results in a ratio of equity to deposit liabilities of 3.4%. When the $118 million debenture portion of our capital base is taken into consideration, the year-end ratio of capital to deposit liabilities rises to 4.3%. Under present legislation, and with the present equity base, we have unused debenture issuing capacity of $83 millions.

More generally, despite the very rapid growth in our total assets

and deposits liabilities in the past few years, we have kept pace with our capital requirements, and our present ratios are well in line with the recognized standards for Canadian banks. The very wide base of our business, including the broad retail distribution of our deposits and of our consumer loans and mortgages, reduces considerably our vulnerability to adverse conditions in the world economy.

There was a net increase of 25 in the number of our offices during the year, compared to a rise of 24 last year. The number of offices in Canada was up by 22 and in foreign countries by three. Abroad, we have opened a representative office in Manila, the Philippines, and this location has also been made the Regional Office for the Pacific Rim area. It is relatively central for a far-flung stretch of the world, and will help us to administer a number of offices with very different environments. At the very end of the year, we also opened new facilities in Singapore and Panama City.

Earnings, Expenses and Appropriations

The balance of revenue before income taxes increased $30.2 millions over 1973, or 27.6%. While interest revenue on loans and other assets increased by more than $380 millions, there was also a large increase in interest paid to depositors and debenture holders, of approximately $320 millions. On balance, the net growth in interest revenues of some $60 millions was wholly due to the growth in assets. In fact, interest profit margins narrowed in Canada. On the other hand, the spread on foreign currency business improved somewhat over 1973.

Income taxes came to $68.9 millions, including a federal surtax of $2.7 millions which was announced in the Budget just after our year-end. Hence the balance of revenue after tax was $70.5 millions. From this sum, we have made an appropriation of $26 millions to the accumulated general reserve for losses, leaving a balance of profits for the year of $44.5 millions, up 24.5% over 1973.

Dividends amounted to $21.3 millions, or $1.21 per share on the average number of shares outstanding over the year, which was of course affected by the rights issue. The dividend was increased from 28 cents per share in the first quarter to 30 cents in each of the second and third quarters and to 33 cents in the fourth quarter.

Subtracting dividends from the balance of profit, $23.2 millions was brought forward. To this we added $8 millions from tax-paid general appropriations for losses and the undivided profits of $1.5 millions from 1973. Altogether these items aggregated $32.7 millions, of which $31 millions was transferred to the rest account and $1.7 millions was left in undivided profits.

Shareholders will be glad to know that our provisions for losses on loans, which is an item deducted from current earnings on a 5-year average basis, is only moderately higher than in previous years. Provisions for losses on foreign currency assets were actually lower in 1974 than in 1973, and in general it can be said that losses on foreign currency assets this year and in the past five years have been lower than on Canadian dollar assets, both absolutely and as a percentage of assets. Thus we feel that we are in a very strong position in a time of widespread difficulties from which we hope the world economy will soon emerge.

Personnel

We are keenly aware of the fact that the excellent results which the Bank has enjoyed this past year reflect the skills and dedication of 17,000 Bank of Nova Scotia people. The skills we have come to expect and the dedication of our staff – at a time when our banking operations and services have moved further into the technological age – have been most encouraging. It gives us a sense of great confidence in the Bank's ability to meet the problems and opportunities of the coming year.

Each successive annual report sees the Bank established in more countries and further broadening its international banking capabilities. We pay a special tribute to those members of our staff who accept appointments in countries other than their own, and who consistently apply their adaptability, flexibility, and responsiveness in the pursuit of the Bank's progress and their own self-development.

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NEWS RELEASE

from

THE BANK OF NOVA SCOTIA

Executive Offices: 44 King Street West, Toronto, Canada

For Further Information:

E. R. McCrimmon

(416) 866-6310

Release Date:

HALIFAX, DECEMBER 11th, 1974 -- Total assets of The Bank of Nova Scotia rose from $10,327 millions to $13,462 millions during the year ended October 31st, in percentage terms the largest increase of the twentieth century.

J. A. G. Bell, Executive Vice-President and Chief General Manager, told the Bank's annual meeting that 1974 saw a substantial gain in both domestic and foreign business. Canadian assets rose by 25.6 percent and foreign currency assets grew by 36.7 percent, reflecting strong demands for credit in virtually every market in which the Bank operates.

The sharply rising requirements of the Bank's commercial and industrial customers were a big factor in its Canadian operations. Despite the tighter credit conditions which pushed the prime lending rate up to a record 11.5 percent, the Bank continued to sustain the flow of credit to small businesses and to the less developed regions of the country. Especially favourable base rates continued to be applied to loans to smaller business borrowers.

In speaking about the Bank's extensive mortgage lending activity, Mr. Bell said that the Bank has become a major factor in mobile home financing. He suggested that many government restrictions should be re-thought in view of what mobile homes can do to solve Canada's housing problems. These homes already account for more than 10 percent of the new housing units coming on the market in Canada.

Mr. Bell said that the demands on the Bank for mortgage credits moderated considerably during the latter half of 1974. A substantial allocation of funds to mortgages is planned for 1975 but that the percise amount the Bank will be able to make available will depend on developments

during the year.

There has never been a time when the liquidity of corporations has been under such close scrutiny and banks are no exception. Mr. Bell said that the Bank is very conscious of its obligation to ensure that various tests of liquidity and soundness can be met, and are seen to be met. The 1974 rights issue increased the equity capital of the Bank by $56.5 millions and with the $31 millions transferred to Rest Account, the total equity capital of the Bank is $403 millions.

Provisions for losses on loans were only moderately higher than in previous years. Provisions for losses on foreign currency assets were actually lower in 1974 than in 1973. In general, losses on foreign currency assets this year and in the past five years have been lower than on Canadian dollar assets. "We feel that we are in a very strong position in a time of wide-spread difficulties from which we hope the world economy will soon emerge", Mr. Bell concluded.

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Executive Offices: 44 King Street West, Toronto, Canada

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Release Date:

HALIFAX, DECEMBER 11th, 1974 -- The head of The Bank of Nova Scotia today commended Canada's efforts to help cope with some of the world's key economic and monetary problems.

C. E. Ritchie, President and Chief Executive Officer, told the Bank's annual meeting in Halifax that the sharp jump in world oil prices has caused a dangerous distortion in world payments balances, with very large surpluses and deficits.

In 1974, said Mr. Ritchie, OPEC countries will earn \$105 billion from oil exports, compared with \$15 billion in 1972 and \$25 billion in 1973.

Even allowing for all the ways of spending this income -- more imports, military equipment, new grant aid -- this would leave the OPEC group with a surplus of \$60 billion, Mr. Ritchie said.

This surplus would inevitably be matched by deficits for oil importing countries throughout the world. The imbalance could go on for years, for even a step-up in spending by OPEC countries would be offset by cumulation of interest on the surplus, Mr. Ritchie said.

The Bank's president said oil prices have combined with inflation, and shortage of food, and industrial slowdown to create the most difficult combination of economic problems the world has faced since World War II.

Although Canada will feel the effects of world-wide recession coupled with upward price pressures, the country is fortunate in regard to food and energy, Mr. Ritchie said.

"To some extent this should continue to cushion the severity of the

country's own economic adjustments, but what is perhaps more important is the opportunity it gives us to exert some really constructive influences on the mutual problems that are now confronting the world."

Mr. Ritchie noted that the International Monetary Fund has established a Special Interim Committee of key finance ministers, headed by Canadian Finance Minister John Turner, to give a special attention to the problems of recycling surpluses and financing deficits.

"...... in the light of his own political skills and enthusiasm as well as the unique character of Canada's own payments position, one cannot help but feel that the challenge has been wisely directed, "Mr. Ritchie said of Mr. Turner's appointment.

Mr. Ritchie said the committee's starting point will doubtless be the emergency oil-financing facility under which seven exporting countries, including Canada, have provided $3.3 billion at seven percent interest, with repayment to be made in from three to seven years. The money will be loaned to the most needy of the deficit countries.

There is room for a variety of financing channels, Mr. Ritchie said, but there will still be a need for joint sharing of the credit risks involved in any lengthy extension of the present payments imbalance.

Mr. Ritchie also commended Canada for its offer of grain, at the recent World Food Conference in Rome, to meet desperate needs in India and Africa. He noted, however, that Canada's supplies are below normal in quantity and quality and that reducing domestic use is easier said than done.

With favorable prices and average weather, farmers in developed countries could markedly increase grain production, Mr. Ritchie said, and a reserve stock might be set up.

"In Canada's eyes, however, it is essential that the financing of any such reserves program should be shared widely among the better-off countries and not be carried solely by the main exporting countries."

Strains on the international scene have clearly had an impact on world banking operations, Mr. Ritchie said, including major losses and some failures. Some problems had resulted from over-extension of credit and unwise trading in foreign exchange. Yet, the performance of Canadian banks had been encouraging.

Mr. Ritchie attributed this, at least in part, to the flexibility arising from large branch networks and a wide range of services, as well as to Canada's long exposure to the risks and benefits of floating exchange rates.

The Bank president said that Canada's continued growth, along with world inflation, has given impetus to a serious wage-price spiral. With food prices increasing 15 to 20 percent a year and overall consumer price increases now around 11 to 11 1/2 percent wages were bound to increase. Indeed, government and industry have been accepting increases of 15 percent or more a year.

"Bearing in mind that the long-term average improvement of productivity is only around three percent, such a pattern of wage and salary advance in itself would tend to push towards a rate of price advance on the order of 12 percent, or somewhat more than we are already experiencing.

If Canadians are serious about beating inflation, Mr. Ritchie said, this wage-price circuit must unwind.

In conclusion, Mr. Ritchie said that while Canada's economic performance looks comparatively good, Canadians should not be complacent. Canada's record in labor-management relations, federal-provincial relations, and wage-price performance is nothing to be complacent about, he said.

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THE PRESIDENT'S REPORT

C. E. Ritchie
President
and Chief Executive Officer
The Bank of Nova Scotia

President's Report 1974

For more than a year now the world has been struggling with the most difficult combination of economic problems since the end of World War II. Inflation almost everywhere has soared to "double-digit" proportions; the tenuous state of world food supplies has not been relieved to anything like the degree that had been hoped; and now the world's industrial economy seems destined to undergo a fairly pronounced and extended slowdown. Intertwined with all these difficulties, moreover, are the extraordinary new cost burdens and payments imbalances that have been created by the sharp escalation in world oil prices. The most immediate such pressures, of course, have fallen on the countries most heavily dependent on oil imports, but increasingly also new difficulties have been arising just from the massive accumulation of surplus funds in the hands of a small group of oil-exporting countries.

Amidst all the build-up of these global problems, the Canadian economy thus far has been remarkably well insulated. Fears as to possible spot energy shortages proved to be exceedingly short-lived; and while a good deal of inter-regional friction has built up in the consideration of longer-run energy policies, supplies have continued to move at prices markedly cushioned from prevailing high world levels. Helped also by a continued favourable flow of export income, as well as by ongoing forces of domestic growth, the Canadian economy as a whole has thus far managed to sustain a rate of *real* expansion only slightly short of its physical potential despite the spreading forces of slowdown in other parts of the world. Latest estimates, indeed, suggest the total volume of Canadian production in 1974 has shown an increase on the order of 4 to 4½%, in striking contrast to the actual decreases which have occurred in the United States, Britain and Japan, and even to the quite modest advances shown in such countries as West Germany and Italy.

The Canadian picture now, of course, is beginning to change considerably, and there can be little doubt that the trends ahead will show a more definite reflection of the world-wide recessionary adjustments. Like most other countries Canada will be having to cope with a spreading slowdown of business activity at the same time as upward price and cost pressures remain intense. Yet, as the experience of the past year has so dramatically made clear, Canada is perhaps the most fortunately placed of all the major countries of the world in the two key problem areas of food and energy. To some extent this should continue to cushion the severity of the country's own economic adjustments, but what is perhaps more important is the opportunity it gives us to exert some really constructive influences on the mutual problems that are now confronting the whole world.

In this context, I for one have been particularly heartened by the active part that Canadian officials have been taking in the organized international efforts to cope with our most crucial common problems. At the recent World Food Conference in Rome, for example, the Canadian delegation made a forthright offer of emergency grain aid shipments to meet immediate desperate needs, mostly in the Indian subcontinent and parts of Africa. In addition, Canada has indicated its willingness to play a full role in longer-term programs aimed first at supporting better crop production in the hard-pressed developing countries themselves and secondly at establishing a workable system of world reserve stocks.

None of these programs, of course, will be easy or magically rewarding. Even the immediate needs are very large; and while Canada can readily afford to divert some appreciable supplies into aid channels (having in mind that current commercial prices are over three times the level that prevailed for many years), these supplies will not then be available for other users either in Canada or in customary importing countries such as Britain, Japan and China. An unavoidable fact is that our total available supplies from now until next year's harvest are well below normal, both in quantity and quality. Thus, even allowing for some reduction in domestic use (which is easier said than done) and for a maximum practical run-down of stocks, total supplies available for export whether commercially or in aid will be appreciably below what has moved in years of peak demand.

Another immediate problem for the countries in greatest need is that not only have they suffered from poor harvest conditions but they have also been the most severely hit by the sharply increased world prices of oil and fertilizers. It is for this reason that many international authorities have been urging appropriate help from the countries that are members of OPEC (the Organization of Petroleum Exporting Countries). But even if such help should be forthcoming, there would still be a tremendous continuing challenge in trying to achieve the indicated longer-term objectives.

Some hopes of improvement for the longer run do lie within the power of the more advanced countries. For with favourable price incentives and average weather conditions, the farmers of these countries can be expected markedly to increase their grain production. And from such a foundation, it should be possible to establish the kind of reserve stock arrangements that have been receiving widespread discussion and were on the Rome agenda. In Canada's eyes, however, it is essential that the financing of any such reserves program should be shared widely among the better-off countries and not be carried solely by the main exporting countries. It is also vital that steps be taken to ensure that whatever build-up of stocks is achieved does not interfere with the needed income assurances and incentives that farmers must have if they are to maintain the desired continuity of production.

There is apparently a fair prospect that steps in this direction will be forthcoming. But this again can be only a partial answer, so long as the tide of population growth continues on its presently indicated course in so many of the less-developed countries. Some progress has been made in some countries in reducing birth rates, and until the recent misfortunes of weather and of escalated oil prices many more areas had been reaping the benefits of the so-called Green Revolution. Helpful technical know-how and a broader understanding of the issues at stake have also been promoted through such channels as the International Development Research Centre which was established and has been largely supported by the Canadian Government. Yet obviously a great deal more in the way of meaningful sacrifice and effort is going to be required in the months and years ahead. And this will necessitate both a toughening of will among the developing countries themselves and well-directed supportive endeavours from the rest of the world community.

At the same time, moreover, the world will be having to cope with the even broader consequences of the past year's sharp jump in world oil prices. For along with all the added difficulties this has brought to many of the less fortunate countries of the world, there has also been the obvious build-up of strains on the whole international economic system as a result of the sudden and unprecedentedly large distortion of established payments patterns. It was disturbing enough to have to wrestle for a time with a significant curtailment of world oil supplies, but then when supplies did come through they carried with them a harsh accentuation of the basic problems already confronting most industrial countries – for on the one hand they added a big new source of immediate price and cost pressure to an inflation spiral already reaching critical proportions, and at the same time they involved a major new drain away from national flows of consumer income that were already proving to be insufficient to maintain the forward thrust of economic growth.

As serious as these complications may be, however, it has been at the more direct level of international payments balances that the biggest difficulties have arisen. The latest estimates suggest, indeed, that the OPEC countries in 1974 will be earning a total of approximately $105 billions from their oil exports (as compared with a mere $15 billions in 1972 and $25 billions in 1973). And after allowing for all the ways in which such a spectacular jump in income may be spent (for more imports, for military equipment or for new extensions of grant aid), it appears that the OPEC group will realize an aggregate current account surplus on the order of $60 billions, a surplus which will inevitably be matched by deficits on the part of oil-importing countries throughout the world. To make matters worse, moreover, there is the possibility that such a huge imbalance could be extended for a considerable period

of years, for even a questionably big step-up in spending by the OPEC countries could be largely offset by the cumulation of interest earnings on the on-going surplus funds.

Much debate has developed over the financing of these huge payments imbalances. For on the one hand, the financing to date has moved much more readily than many analysts had expected – with deficit countries in particular finding many ways to meet their requirements and with private international banking facilities also proving encouragingly adaptable. And while the system has not been establishing anything like the kind of assured longer-run investment returns that the OPEC countries clearly would like, many authorities in fact hope that the limitations in this regard will help in time to underline the mutual interests in adequate long-run approaches to both the pattern of oil prices and appropriate financing arrangements. The deficits that have to be financed, unfortunately, are not evenly spread; and yet at least some reasonable volume of funds must somehow be moved to the countries in the most difficult deficit positions as well as to those that can continue as good credit risks. The inevitable inclination of the OPEC countries, of course, is to recycle funds into what appear to be the most secure channels, so in turn placing the onus either on banks or on the governments of stronger advanced countries to carry the risks and responsibilities of moving funds onward to the countries that are tending to incur the biggest payments deficits. It is this "credit" problem, indeed, that has been evoking most of the concern that has been expressed about the adequacy of existing financial arrangements, and it represents a crucial hurdle also for whatever on-going arrangements are to be devised.

Not surprisingly, too, this was the main focus of attention at the recent annual meetings of the International Monetary Fund (IMF); and the degree of general concern was reflected in the establishment of a Special Interim Committee of key finance ministers with plans to meet at frequent intervals and so hopefully to generate as much political impetus as possible behind the needed cooperative actions. Canada's Finance Minister, Mr. Turner, was chosen to be chairman of this special committee, and in the light of his own political skills and enthusiasm as well as the unique character of Canada's own payments position, one cannot help but feel that the challenge has been wisely directed.

The starting-point for the new committee efforts will undoubtedly be the emergency oil-financing facility that has been established under IMF auspices in the past year. For this purpose, seven exporting countries including Canada have provided funds to a total of roughly $3.3 billions at 7% interest with repayment to be made in a period of 3 to 7 years from now; and before the end of this year the IMF expects to have on-loaned the funds to the neediest of deficit countries at corresponding interest and repayment terms. The amount available here, of course, will apply only to the financing problems of the present year and it does not loom very large against the background of the total on-going financing requirements. Many analysts also have questioned even the modified weight of the repayment terms, though at some point there clearly has to be a compromise between the limited debt-carrying capabilities of deficit countries and the endowment-earning objectives of many of the surplus countries. One other troublesome point has to do with the pattern of decision-making in the management of any such arrangement. The OPEC countries obviously would like to have a much bigger voting-power than would be accorded to them even in a substantially-modified structure of participation in the IMF itself.

Reflecting such varied considerations, many other proposals have been advanced – ranging from the establishment of some kind of special agency affiliated with the IMF but having a separate directorship, to the setting-up of entirely segregated operations, perhaps under an existing agency – such as the Organization for Economic Cooperation and Development (OECD) or the Bank for International Settlements – or under something completely new. U.S. authorities, in fact, have been proposing that, in addition to the existing recycling arrangements in the IMF, the major importing countries should establish "common loan and guarantee facility" that could provide a joint sharing of credit risks, and

that would operate under OECD. At the same time discussions have been under way about a possible intriguing elaboration upon direct OPEC placement of funds, i.e. through the issuance of special securities jointly guaranteed by the member-countries of the European Community. Clearly there is room for a fair variety of financing channels (including direct placements) and there is scope also for innovation in the movement of funds into some of the bigger and more challenging of the world's private investment undertakings. But whatever is done, there will still be the basic need for some kind of joint sharing of the cumulative credit risks involved in any long-continued extension of the present overall payments imbalances, and there will be a growing challenge also in trying to sustain a reasonably stable and workable international monetary system.

In this context, it is of more than passing interest to note that Mr. Turner's IMF committee is slated to deal not only with financing or recycling possibilities but also with a number of the broader questions involved in the adequate operation of the international monetary system. To at least some degree the committee will be seeking to give practical effect to the rather limited range of new agreements that came out of the long-extended discussions on international monetary reform. Here one would include the evolving role of Special Drawing Rights as the primary reserve asset in the international system, and of course the relevant monetary treatment of gold in a world in which its market price has soared. Also to be considered is the regular 5-yearly review of quotas and whether this should provide for any further enlargement in the scale of the Fund's original type of emergency payments financing. But most important of all is the attention that will have to be directed to the increasingly difficult problems of international payments adjustment. Important practical improvements have in fact occurred, first in the almost universal move towards a system of "managed floating" and then in the cooperative efforts both to initiate joint market interventions when this has seemed desirable and to strive for a better compatibility of national financial policies. But when almost all advanced countries are experiencing a worrisome slowdown in business while simultaneously running far bigger current account deficits than they like, it is clearly difficult to establish, let alone find ways of inducing or enforcing, the sorts of policy action that are internationally acceptable or desirable. The key danger, of course, is that individual countries may seek to improve their own positions at the expense of other countries, either through trade controls, exchange rate manipulation or special capital flow incentives. The challenge will be to see that the broad common interests of all countries are effectively recognized and sustained.

Meanwhile, in a different forum but with the same general objectives in mind, other important efforts are being made to deal directly with the problems of world energy production and supply. Following long discussions that began during last winter's oil embargo, the major oil-consuming countries of the world have now embarked upon a cooperative program including comprehensive sharing agreements to guard against the eventuality of any new cut-off in supplies and longer-term arrangements intended both to stimulate joint endeavours to conserve on energy use and to encourage development of new energy sources. Canadian participation in these efforts has been rather more reserved than that of other countries, partly because of the complexities of this country's own oil situation, but partly also because of some concern that the arrangements might be pressed to the point of confrontation with the major oil-exporting countries. From the broadest world standpoint, however, it is important that there be a much more serious review of longer-term considerations, including the wisest use of an increasingly costly resource. Because of the large surpluses or endowment funds now being accumulated by the OPEC countries, they obviously have a growing stake in longer-run world monetary developments. But in the marketing of their oil as well, there would appear to be an equally strong case for seeking longer-term arrangements rather than "sweating out" the ultimate reactions to the recent quantum jump in prices. Canada, in fact, is as dependent as any country on a rational and fair approach to

the world's energy situation. And we have as important a role to play in that regard as we have in the monetary implications.

All the strains on the broad international scene, of course, have had more than a little impact on world banking operations. For the first time in many years, major losses have been incurred by banks in a number of countries, and there have also been some failures including two substantial ones in the United States. Common problems have come from an over-extension of credit risks and from an over-dependence on short-term borrowed funds. And in too many cases, also, there have been losses from unauthorized or injudicious trading in foreign exchange at a time of rapidly changing exchange and interest rates.

Yet in part because of the favourable trends in the Canadian economy and in part because of the structure and policies of the Canadian banking system itself, the performance of the Canadian banks has in my view been most encouraging. One specific plus that we have long had going for us, I believe, is the flexibility that arises out of our extensive branch networks, and this in turn has been reinforced by the broadened range of both our national and international services. No doubt also of significance in this recent period has been our uniquely long exposure to the risks as well as the benefits of floating exchange rates. Certainly such exposure has helped in the development of appropriate management controls, and it would be disappointing if it had not also contributed to the soundness of market judgments that are at the heart of all banking business.

There clearly can be no room for complacency, however, when one notes the slowing tendencies just now beginning to hit the Canadian economy and when one takes account also of the unresolved world oil payments problem. Thus far in this latter regard, the Canadian banks in fact have been somewhat embarrassingly favoured, as holders of international funds have become more and more selective in the outlets they are prepared to use. Much of this business, of course, relates to on-going international trade and financial operations rather than to the new build-up of oil funds (and it was in part to bolster our own capital base for the further development of such business that we carried through a major equity issue in May even though the market then and since has certainly not been an easy one). It has still seemed unwise, however, to take all funds on offer; and this could well come to be an even more widespread phenomenon in the months ahead. For even the largest international banks have had to become increasingly concerned not only about the volume of funds they should take from a highly limited number of sources (and mostly at short term) but also about ensuring the quality of new loan placements in a world beset by unprecedented balance-of-payments problems.

This, again, is an integral part of the whole international financing problem that the world faces at this time. And apart from the broad policy responses that are seriously under discussion, it is worth noting that the central banks of all the major countries have for some time been seeking actively to coordinate their responses to emerging pressures in the banking sphere. Effective backstopping support has been provided in most of the instances of particular difficulty, and careful attention has been directed to the appropriate sharing of responsibility where the lines of national jurisdiction may not be entirely clear. Such operations are, in fact, a crucial aspect of the central banking function in today's interdependent world, and can contribute much along with wise basic policies to the healthy functioning of the world economy.

Within Canada, financial markets have been reflecting both the turbulence in the international scene and the country's particular growth momentum. As described more fully in the Chief General Manager's report, demands for credit of all kinds have been exceedingly strong; and in the light both of the interest rate pressures in most outside markets and of the official Canadian desire to exert a gradual, rather than a severe, tightening of the reins, the rate of credit expansion has remained higher than probably desired and interest rates through the

provincial dogfight over resource taxation. But hopefully the new concessions that have been introduced by the federal government will help to clear the way to a rational compromise that at the least permits a continuation of the vital lines of resource development without which there will be no fruits for anyone to divide.

By providing most of the new fiscal stimulus in the form of tax reduction rather than through added expenditure, the Finance Minister did retain something in the way of support to the desired winding-down of inflation. It is now reasonable to request that these tax abatements be borne in mind in the determination of wages and salaries through the year ahead. Just how seriously this exhortation will be taken, however, will depend very much on the degree of business slowdown that does now develop. A pronounced weakening undoubtedly would provide a bigger immediate deceleration in the rate of wage and price advance, but it would also increase the pressure for still more policy stimulus – which in turn, on the basis of past experience, could well regenerate the inflationary engine in succeeding years. A more moderate weakening for its part would tend to minimize the extent of the near-term cooling in wages and prices, so further accentuating the current widespread public feelings of irritation and frustration. Clearly, the policy decisions will not be easy ones, whatever the precise trend pattern may turn out to be. But certainly the experience of the past several years should engender a good deal of appreciation of the difficulties in mobilizing any effective or lasting program of price restraint; and they should also underline the costs of resorting too readily and freely to the expansionary policy levers.

Canada, to be sure, is not alone in the on-going inflation struggle. And the dimensions of our battle will be very much affected by how well we in cooperation with other major countries can cope with all the common problems that now so dominate the international scene. But for each individual country the record of price and cost performance is also very much a matter of national capability and will. And the resulting advantages or disadvantages of relatively good or relatively poor performance could well become even more significant if in fact the current period of difficulty and strain should turn out to be distressingly prolonged.

In too much of Canadian attitudes these days, there seems to me to be a discouraging thread of self-satisfaction and complacency. It is true that we are a favoured nation in many respects, and we have been achieving much of which to be proud, in both economic and social terms. Our economic performance, indeed, looks better than that of most other major countries. Yet can one really take much gratification from our pattern of labour-management relations, of federal-provincial give-and-take, or of wage and price performance? And do we take a serious enough view of the extent to which our future is inevitably interlinked with the common global destiny? Are we yet awake to the common problems with which we are confronted in the energy sphere in particular? We do in fact have the capability to exert a good deal of constructive influence in the wide international scene, and in some respects we are making a good mark. But I for one would like to see ourselves doing a great deal better.

Honorary Chairman's message to shareholders*

As will be apparent from this year's annual report, an important transition is now under way in the world's economy, and near-term challenges rather than recent achievements are tending more and more to command the limelight. The remarkable momentum that has been sustained in the Canadian economic picture has been gradually giving way, and the major difficulties that have been afflicting the global scene for some time are beginning to weigh more heavily on the Canadian prospect.

In the circumstances, I believe it is worth stressing that it is within the power of Canadians both to contribute in a meaningful way to the resolving of some of the common international problems and to cope more effectively with the issues arising within our own borders. Encouraging signs have in fact been in evidence, but the quality of our responses at all levels is clearly going to have to be of the highest order.

I commend the personnel of the bank and its associated companies for their continuing diligence and enthusiasm in the face of a rewarding but fast-changing banking environment.

Thomas A. Boyles, *Honorary Chairman of the Board*

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*Formerly Chairman of the Board, Mr. Boyles was elected Honorary Chairman on December 11th, 1974.

Annual Statement of Highlights

	1974	1973
Total assets	$13,462,476,280	$10,327,629,192
Deposits	$12,112,940,423	$9,360,149,368
Loans	$7,968,152,074	$5,908,303,711
Accumulated appropriations for losses	$96,029,886	$95,157,874
Capital funds	$520,778,539	$438,626,214
Balance of revenue	$139,443,340	$109,279,186
Balance of revenue per share*	$7.94	$6.48
Balance of revenue after provision for income taxes	$70,543,340	$56,779,186
Balance of revenue after provision for income taxes per share*	$4.01	$3.36
Balance of profits for the year	$44,543,340	$35,779,186
Balance of profits per share*	$2.54	$2.12
Dividends paid per share	$1.21	$1.06
Average number of shares outstanding	17,570,929	16,875,000
Shareholders	16,893	16,860
Personnel	17,323	16,368
Offices	982	957

*Based on average shares.

Chairman of the Board and President's Report*

For more than a year now the world has been struggling with the most difficult combination of economic problems since the end of World War II. Inflation almost everywhere has soared to "double-digit" proportions; the tenuous state of world food supplies has not been relieved to anything like the degree that had been hoped; and now the world's industrial economy seems destined to undergo a fairly pronounced and extended slowdown. Intertwined with all these difficulties, moreover, are the extraordinary new cost burdens and payments imbalances that have been created by the sharp escalation in world oil prices. The most immediate such pressures, of course, have fallen on the countries most heavily dependent on oil imports, but increasingly also new difficulties have been arising just from the massive accumulation of surplus funds in the hands of a small group of oil-exporting countries.

Amidst all the build-up of these global problems, the Canadian economy thus far has been remarkably well insulated. Fears as to possible spot energy shortages proved to be exceedingly short-lived; and while a good deal of inter-regional friction has built up in the consideration of longer-run energy policies, supplies have continued to move at prices markedly cushioned from prevailing high world levels. Helped also by a continued favourable flow of export income, as well as by ongoing forces of domestic growth, the Canadian economy as a whole has thus far managed to sustain a rate of *real* expansion only slightly short of its physical potential despite the spreading forces of slowdown in other parts of the world. Latest estimates, indeed, suggest the total volume of Canadian production in 1974 has shown an increase on the order of 4%, in striking contrast to the actual decreases which have occurred in the United States, Britain and Japan, and even to the quite modest advances shown in such countries as West Germany and Italy.

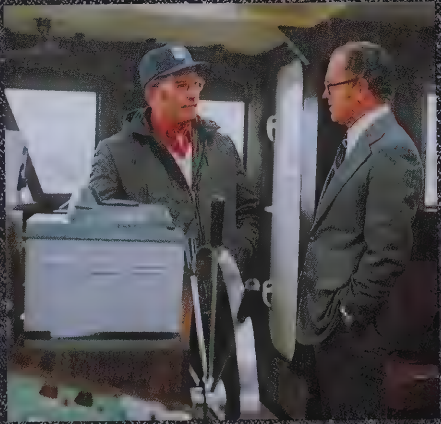
The Canadian picture now is beginning to change considerably, and there is little doubt that the trends ahead will show a more definite reflection of the world-wide recessionary adjustments. Like most other countries Canada will be having to cope with a spreading slowdown of business activity at the same time as upward price and cost pressures remain intense. Yet, as the experience of the past year has so dramatically made clear, Canada is perhaps the most fortunate of all the major countries of the world in the two key problem areas of food and energy. To some extent this should continue to cushion the severity of the country's own adjustments, but what is perhaps more important is the opportunity it gives us to exert some really constructive influences on the mutual problems that are now confronting the whole world.

In this context, I for one have been particularly heartened by the active part that Canadian officials have been taking in the organized international efforts to cope with our most crucial common problems. At the recent World Food Conference in Rome, for example, the Canadian delegation made a forthright offer of emergency grain aid shipments to meet immediate desperate needs, mostly in the Indian subcontinent and parts of Africa. In addition, Canada has indicated its willingness to play a full role in longer-term programs aimed first at supporting better crop production in the hard-pressed developing countries themselves and secondly at establishing a workable system of world reserve stocks.

None of these programs will be easy or magically rewarding. Even the immediate needs are very large; and while Canada can readily afford to divert some appreciable supplies into aid channels (having in mind that current commercial prices are over three times the level that prevailed for many years), these supplies will not then be available for other users either in Canada or in customary importing countries such as Britain, Japan and China. An unavoidable fact is that our total available supplies from now until next year's harvest are well below normal, both in quantity and quality. Thus, even allowing for some reduction in domestic use and for a maximum practical run-down of stocks, total supplies available for export whether commercially or in aid will be appreciably below what has moved in years of peak demand.

Executive officers of The Bank of Nova Scotia are, seated, left to right: G.C. Hitchman, Deputy Chairman of the Board; J.A.G.Bell, Executive Vice-President and Chief General Manager; C.E.Ritchie, Chairman of the Board, President and Chief Executive Officer; and A.H.Crockett, Deputy Chairman of the Board. Standing, left to right, are: R.M.MacIntosh, Executive Vice-President; and W.S.McDonald, Executive Vice-President.

***Formerly President and Chief Executive Officer, Mr. Ritchie was also elected Chairman of the Board on December 11th, 1974.**

Another immediate problem for the countries in greatest need is that not only have they suffered from poor harvest conditions but they have also been the most severely hit by the sharply increased world prices of oil and fertilizers. It is for this reason that many international authorities have been urging appropriate help from the countries that are members of OPEC (the Organization of Petroleum Exporting Countries). But even if such help should be forthcoming, there would still be a tremendous continuing challenge in trying to achieve the indicated longer-term objectives.

Some hopes of improvement for the longer run do lie within the power of the more advanced countries. For with favourable price incentives and average weather conditions, the farmers of these countries can be expected markedly to increase their grain production. And from such a foundation, it should be possible to establish the kind of reserve stock arrangements that have been receiving widespread discussion and were on the Rome agenda. In Canada's eyes, however, it is essential that the financing of any such reserves program should be shared widely among the better-off countries and not be carried solely by the main exporting countries. It is also vital that steps be taken to ensure that whatever build-up of stocks is achieved does not interfere with the needed income assurances and incentives that farmers must have if they are to maintain the desired continuity of production.

There is apparently a fair prospect that steps in this direction will be forthcoming. But this again can be only a partial answer, so long as the tide of population growth continues on its presently indicated course in so many of the less-developed countries. Some progress has been made in some countries in reducing birth rates, and until the recent misfortunes of weather and of escalated oil prices many more areas had been reaping the benefits of the so-called Green Revolution. Helpful technical know-how and a broader understanding of the issues at stake have also been promoted through such channels as the International Development Research Centre which was established and has been largely supported by the Canadian Government. Yet obviously a great deal more in the way of meaningful sacrifice and effort is going to be required in the months and years ahead. And this will necessitate both a toughening of will among the developing countries themselves and well-directed supportive endeavours from the rest of the world community.

At the same time, moreover, the world will be having to cope with the even broader consequences of the past year's sharp jump in world oil prices. For along with all the added difficulties this has brought to many of the less fortunate countries of the world, there has also been the obvious build-up of strains on the whole international economic system as a result of the sudden and unprecedentedly large distortion of established payments patterns. It was disturbing enough to have to wrestle for a time with a significant curtailment of world oil supplies, but then when supplies did come through they carried with them a harsh accentuation of the basic problems already confronting most industrial countries – for on the one hand they added a big new source of immediate price and cost pressure to an inflation spiral already reaching critical proportions, and at the same time they involved a major new drain away from national flows of consumer income that were already proving to be insufficient to maintain the forward thrust of economic growth.

As serious as these complications may be, however, it has been at the more direct level of international payments balances that the biggest difficulties have arisen. The latest estimates suggest, indeed, that the OPEC countries in 1974 will be earning a total of approximately $105 billions from their oil exports (as compared with a mere $15 billions in 1972 and $25 billions in 1973). And after allowing for all the ways in which such a spectacular jump in income may be spent (for more imports, for military equipment or for new extensions of grant aid), it appears that the OPEC group will realize an aggregate current account surplus on the order of $60 billions, a surplus which will inevitably be

Stimulating the lifelines of progress

Transportation in all its diversified forms is the indispensable key to economic progress in a nation as geographically vast as Canada. The Bank plays a vital role in providing essential financing for many companies operating in this important field. Top left, G.L.Fanning, Montreal, right, a Scotiabank specialist in vessel financing and other shipping interests, chats with the skipper of the 'Federal Six', Dartmouth, N.S. The vessel is used by Federal Offshore Services Limited for servicing offshore oil drilling operations. United Van Lines, one of Canada's largest moving and storage organizations, is a successful pioneer in the use of containerized shipment for household goods. The big road transport, top right, is shown transporting several containers. The Bank also assisted in financing the 2,200 h.p. tug, shown left, moving an oil drilling rig in the arctic, as well as other vessels used by Arctic Navigation and Transportation Limited. The company provides transportation services in the Beaufort Sea as well as on the Mackenzie River and its tributaries.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matched by deficits on the part of oil-importing countries throughout the world. To make matters worse, moreover, there is the possibility that such a huge imbalance could be extended for a considerable period of years, for even a questionably big step-up in spending by the OPEC countries could be largely offset by the cumulation of interest earnings on the on-going surplus funds.

Much debate has developed over the financing of these huge payments imbalances. For on the one hand, the financing to date has moved much more readily than many analysts had expected – with deficit countries in particular finding many ways to meet their requirements and with private international banking facilities also proving encouragingly adaptable. And while the system has not been establishing anything like the kind of assured longer-run investment returns that the OPEC countries clearly would like, many authorities in fact hope that the limitations in this regard will help in time to underline the mutual interests in adequate long-run approaches to both the pattern of oil prices and appropriate financing arrangements. The deficits that have to be financed, unfortunately, are not evenly spread; and yet at least some reasonable volume of funds must somehow be moved to the countries in the most difficult deficit positions as well as to those that can continue as good credit risks. The inevitable inclination of the OPEC countries, of course, is to recycle funds into what appear to be the most secure channels, so in turn placing the onus either on banks or on the governments of stronger advanced countries to carry the risks and responsibilities of moving funds onward to the countries that are tending to incur the biggest payments deficits. It is this "credit" problem, indeed, that has been evoking most of the concern that has been expressed about the adequacy of existing financial arrangements, and it represents a crucial hurdle also for whatever on-going arrangements are to be devised.

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The starting-point for the new committee efforts will undoubtedly be the emergency oil-financing facility that has been established under IMF auspices in the past year. For this purpose, seven exporting countries including Canada have provided funds to a total of roughly \$3.3 billions at 7% interest with repayment to be made in a period of 3 to 7 years from now; and before the end of this year the IMF expects to have on-loaned the funds to the neediest of deficit countries at corresponding interest and repayment terms. The amount available here, of course, will apply only to the financing problems of the present year and it does not loom very large against the background of the total on-going financing requirements. Many analysts also have questioned even the modified weight of the repayment terms, though at some point there clearly has to be a compromise between the limited debt-carrying capabilities of deficit countries and the endowment-earning objectives of many of the surplus countries. One other troublesome point has to do with the pattern of decision-making in the management of any such arrangement. The OPEC countries obviously would like to have a much bigger voting-power than would be accorded to them even in a substantially-modified structure of participation in the IMF itself.

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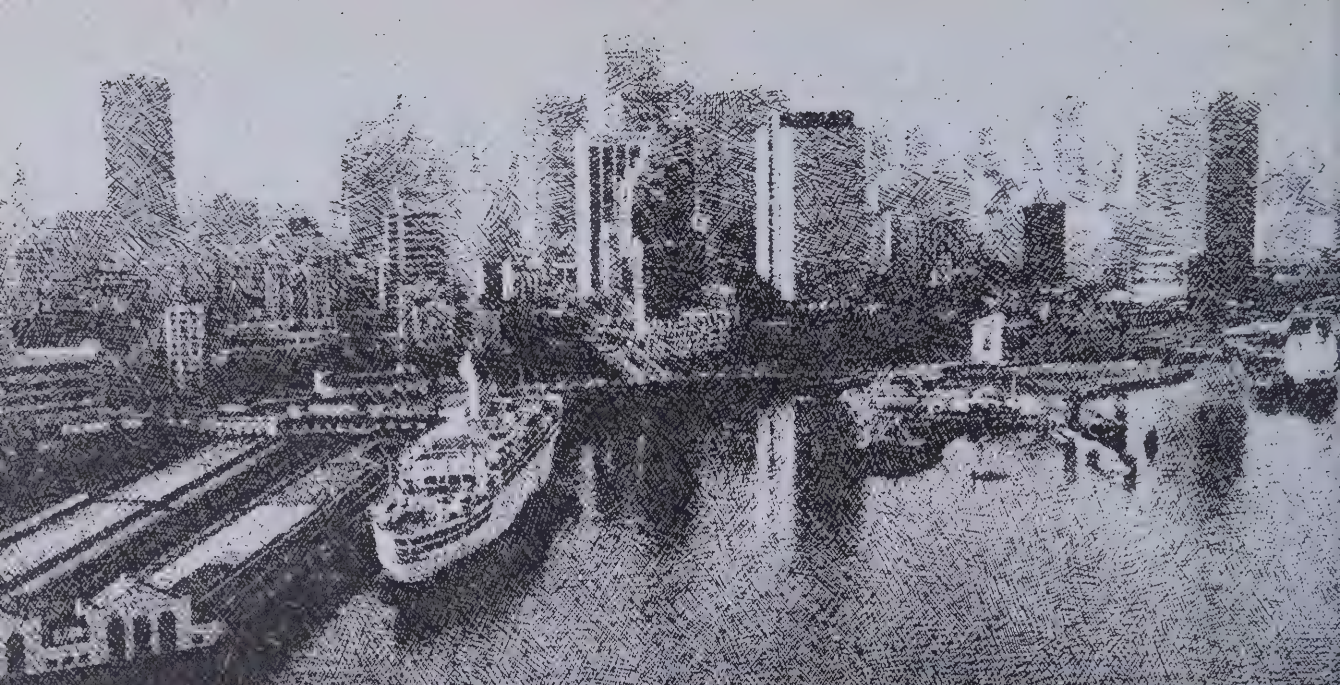
Expanding Canada's international trade

Continued growth of Canada's trade with the rest of the world is of paramount importance to her economic wellbeing. It has long been the Bank's policy to help stimulate this trade through the medium of our foreign operations around the globe. Many exporting and importing Canadian companies are numbered among Scotiabank customers. At Jax Mold & Machine Limited, Simcoe, Ontario, top left, Jack Thornton, President, left, and Simcoe Scotiabank Branch Manager J.A.Neily, examine a tire mold to be shipped to Brazil. Another of our customers is Ontario Store Fixtures Limited, Bramalea, which exports its quality products around the world. Shown top right, checking a shipment, are J.F.McRae, left, the Bank's Toronto Regional General Manager, and OSF President Milton Shier. Dwarfed by a huge mound of sulphur, far left, which Cansulex Limited, Vancouver, ships all over the world, are Scotiabank's Glen Belling, left, Manager, Vancouver Main Branch, and Cansulex Vice-President and Treasurer, Walter Nelson.

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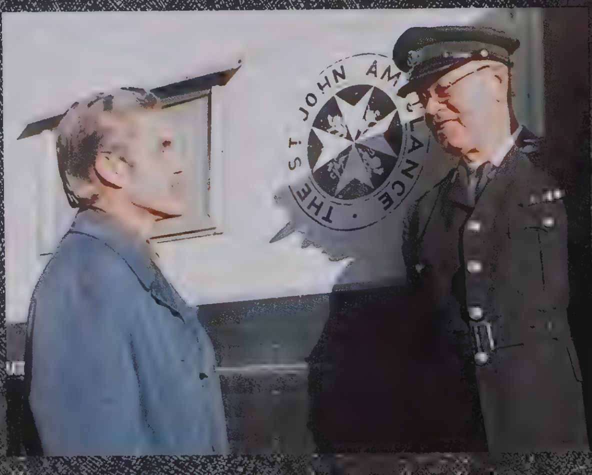
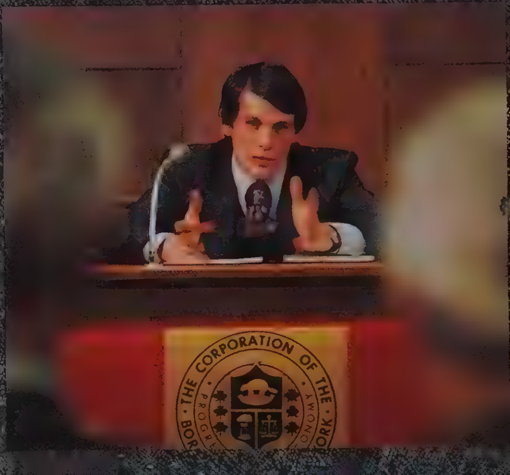
Meanwhile, in a different forum but with the same general objectives in mind, other important efforts are being made to deal directly with the problems of world energy production and supply. Following long discussions that began during last winter's oil embargo, the major oil-consuming countries of the world have now embarked upon a cooperative program including comprehensive sharing agreements to guard against the eventuality of any new cut-off in supplies and longer-term arrangements intended both to stimulate joint endeavours to conserve on energy use and to encourage development of new energy sources. Canadian participation in these efforts has been rather more reserved than that of other countries, partly because of the complexities of this country's own oil situation, but partly also because of some concern that the arrangements might be pressed to the point of confrontation with the major oil-exporting countries. From the broadest world standpoint,

Participating in urban development

The importance of urban renewal to the ongoing life of Canada's cities has become self-evident in recent years. The Bank plays an active role in this through our participation in a number of major building projects. Construction of a 37-storey Scotia Centre in Calgary, Alberta, above left, is well under way. Its Vice-President, Harold Milovsky, left, and R.W.Nickerson, Scotiabank Regional General Manager for Alberta, are shown checking the plans. The Bank's main branch in Prince George, B.C., lower left, is located in this attractive office building which we completed in mid 1974 and the 35-storey Vancouver Centre, shown left in a model photograph, was six storeys above street level at the year end.


BETTER BUSINESS BUREAU OF CANADA
BBB

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however, it is important that there be a much more serious review of longer-term considerations, including the wisest use of an increasingly costly resource. Because of the large surpluses or endowment funds now being accumulated by the OPEC countries, they obviously have a growing stake in longer-run world monetary developments. But in the marketing of their oil as well, there would appear to be an equally strong case for seeking longer-term arrangements rather than "sweating out" the ultimate reactions to the recent quantum jump in prices. Canada, in fact, is as dependent as any country on a rational and fair approach to the world's energy situation. And we have as important a role to play in that regard as we have in the monetary implications.

All the strains on the broad international scene, of course, have had more than a little impact on world banking operations. For the first time in many years, major losses have been incurred by banks in a number of countries, and there have also been some failures including two substantial ones in the United States. Common problems have come from an over-extension of credit risks and from an over-dependence on short-term borrowed funds. And in too many cases, also, there have been losses from unauthorized or injudicious trading in foreign exchange at a time of rapidly changing exchange and interest rates.

Yet in part because of the favourable trends in the Canada economy and in part because of the structure and policies of the Canadian banking system itself, the performance of the Canadian banks has in my view been most encouraging. One specific plus that we have long had going for us, is the flexibility that arises out of our extensive branch networks, and this in turn has been reinforced by the broadened range of both our national and international services. No doubt also of significance in this recent period has been our uniquely long exposure to the risks as well as the benefits of floating exchange rates. Certainly such exposure has helped in the development of appropriate management controls, and it would be disappointing if it had not also contributed to the soundness of market judgments at the heart of all banking business.

There clearly can be no room for complacency, however, when one notes the slowing tendencies just now beginning to hit the Canadian economy and when one takes account also of the unresolved world oil payments problem. Thus far in this latter regard, the Canadian banks in fact have been somewhat embarrassingly favoured, as holders of international funds have become more and more selective in the outlets they are prepared to use. Much of this business, of course, relates to on-going international trade and financial operations rather than to the new build-up of oil funds (and it was in part to bolster our own capital base for the further development of such business that we carried through a major equity issue in May even though the market then and since has certainly not been an easy one). It has still seemed unwise, however, to take all funds on offer; and this could well come to be an even more widespread phenomenon in the months ahead. For even the largest international banks have had to become increasingly concerned not only about the volume of funds they should take from a highly limited number of sources (and mostly at short term) but also about ensuring the quality of new loan placements in a world beset by unprecedented balance-of-payments problems.

This, again, is an integral part of the whole international financing problem that the world faces at this time. And apart from the broad policy responses that are seriously under discussion, it is worth noting that the central banks of all the major countries have for some time been seeking actively to coordinate their responses to emerging pressures in the banking sphere.

Such operations are, in fact, a crucial aspect of the central banking function in today's interdependent world, and can contribute much, along with wise basic policies, to the healthy functioning of the world economy.

The Bank – a community partner

A major strand in the warp and woof of the community fabric is the banking facility and its people. In addition to the Bank's support of a variety of worthwhile causes, many of our people are active in progressive community organizations. At top, Scotiabank's L.R.Woolsey, a senior member of management in Toronto, third from right, presides as Chairman of the Board of the Better Business Bureau of Canada, an organization fostering ethical and fair business practices between business and the consumer. Phil Muench, West Side Branch Manager, Saskatoon, is active in several community organizations including Treasurer and a director of St. John Ambulance in his city, while Mike Smith, Branch Manager in downtown Toronto, left, is actively involved in the community affairs of the Borough of North York. As part of his community association duties, in 1974 he attended every regular meeting of the North York Council, and in 1975 he will be representing his community as an alderman.


FEARMANS
Mary Miles
MEAT PRODUCTS


SEA FOODS LTD.

Within Canada, financial markets have been reflecting both the turbulence in the international scene and the country's particular growth momentum. As described more fully in the Chief General Manager's report, demands for credit of all kinds have been exceedingly strong; and in the light both of the interest rate pressures in most outside markets and of the official Canadian desire to exert a gradual, rather than a severe, tightening of the reins, the rate of credit expansion has remained higher than probably desired and interest rates through the summer rose to unprecedented heights. Fiscal policy also has been accommodative in considerable degree, with specific efforts to cushion some of the sharper effects of inflation and the general pattern of expenditures and policy incentives undoubtedly outweighing the strongly built-in elasticity of tax revenues (or the so-called "fiscal drag").

Unfortunately, the sustained momentum of Canada's growth and the unhelpful food and energy additions to world inflation have unleashed a disturbing new impetus to this country's own internal cycle of wage and price pressures. A considerable ratcheting-up of wage and salary incomes could scarcely be avoided against a background of food price increases on the order of 15 to 20% a year, and of overall consumer price increases now around 11 to 11½%. The new structure of automatic escalators to federal pension payments, to other forms of social security and to the whole system of personal tax rates and exemptions is another formal recognition of this basic situation; and more and more companies are introducing formal cost-of-living adjustments in their wage and salary contracts or programs. The trouble is that industry and government in general have now accepted a pattern of wage and salary increases that on average seems to be running close to or even over 15% a year. Bearing in mind that the long-term average improvement of productivity is only around 3%, such a pattern of wage and salary advance in itself would tend to push towards a rate of price advance on the order of 12%, or somewhat more than we are already experiencing. And the spiral is still moving upward.

If Canadians really are serious in wanting to overcome the inflation dragon, a crucial part of this endeavour will have to include a significant unwinding of the wage-price circuit. There are at least some encouraging portents. Despite the really disappointing grain harvests this year, and the recent run-away in the sugar market, the North American food supply picture includes a recognizable adequacy of most products and an indicated over-abundance in meat and poultry. There can be little doubt also that grain plantings for the coming year will be very large, though after the past year's misfortunes few cheers will be raised until the production is assured. Cautious assessments must be the order of the day as well for oil and other energy products, especially since North American prices are still below world levels. However, the odds do seem to lean more towards a relative stabilization in these prices than they do towards any repeated large advance; and in the meantime, the spreading business slowdown, which has already brought a sharp reversal in the prices of many basic materials, should be tending more and more to diminish the ease of putting through price increases at all levels. There is also now some ground for believing that, if in fact some or all of these various influences do come into play, the wider prevalence of cost-of-living escalator arrangements would lead to a readier adjustment of wage and salary terms, so facilitating the needed unwinding process.

When all is said and done, however, one has to agree with the Finance Minister's observations in his November budget that "we cannot expect to eliminate inflation overnight" and that "it will be a prolonged and tough fight". The government itself is now putting its primary emphasis on the bolstering of demands, in the face of what is clearly a weakening economic situation but one which has yet to bring any evident rise in unemployment. The cynical could scarcely be blamed for arguing that once again the policymakers were conforming to the basic syndrome (of being late with the brakes and early with the gas)

Financing Canada's Food Industry

In our 20th-century world the task of feeding teeming millions has assumed gigantic proportions. The Bank has a vital role in this tremendous endeavour, providing essential financing for all aspects of the food industry from wheat growing and beef cattle raising to retail marketing. Derochie Ranches Limited, near Claresholm, Alberta, top, is one of the western cattle ranches which is counted among our customers. Merle Derochie, left, in the far left photograph, discusses the cattle operations with Edward Braun, Scotiabank's Alberta farm services manager, one of several agrologists employed by the Bank to provide specialized assistance to the farming industry. F.W.Fearman Company Limited of Burlington, Ontario, is an integrated processor of meat products. The attractive gardens around its plant, centre left, have won the firm the local annual environmental award for five consecutive years. Canada's sea food industry is important today and the Bank has had a close association with it ever since our founding in 1832. A typical customer is Comeau Sea Foods Limited, left, of Meteghan, N.S.

that has contributed so much to the longer-run inflation problem.

Yet on this occasion the situation clearly is a good deal more complex. In fact, the odds would seem to be rather strongly on the side of the economic slowdown being bigger and more prolonged than what is suggested in the budget statement; and if this is so, the new budgetary emphasis may prove to be more helpful than it might appear at first glance, especially having in mind the kind of 6 to 12-month lag that is usually required before the major impact of new action will be felt. Another complicating factor is to be found in the continued federal-provincial dogfight over resource taxation. But hopefully the new concessions that have been introduced by the federal government will help to clear the way to a rational compromise that at the least permits a continuation of the vital lines of resource development without which there will be no fruits for anyone to divide.

By providing most of the new fiscal stimulus in the form of tax reduction rather than through added expenditure, the Finance Minister did retain something in the way of support to the desired winding-down of inflation. It is now reasonable to request that these tax abatements be borne in mind in the determination of wages and salaries through the year ahead. Just how seriously this exhortation will be taken, however, will depend very much on the degree of business slowdown that does now develop. A pronounced weakening undoubtedly would provide a bigger immediate deceleration in the rate of wage and price advance, but it would also increase the pressure for still more policy stimulus – which in turn, on the basis of past experience, could well regenerate the inflationary engine in succeeding years. A more moderate weakening for its part would tend to minimize the extent of the near-term cooling in wages and prices, so further accentuating the current widespread public feelings of irritation and frustration. Clearly, the policy decisions will not be easy ones, whatever the precise trend pattern may turn out to be. But certainly the experience of the past several years should engender a good deal of appreciation of the difficulties in mobilizing any effective or lasting program of price restraint; and they should also underline the costs of resorting too readily and freely to the expansionary policy levers.

Canada is not alone in the on-going inflation struggle. And the dimensions of our battle will be very much affected by how well we in cooperation with other major countries can cope with all the common problems that now so dominate the international scene. But for each individual country the record of price and cost performance is also very much a matter of national capability and will. And the resulting advantages or disadvantages of relatively good or relatively poor performance could well become even more significant if in fact the current period of difficulty and strain should turn out to be distressingly prolonged.

In too much of Canadian attitudes these days, there seems to me to be a discouraging thread of self-satisfaction and complacency. It is true that we are a favoured nation in many respects, and we have been achieving much of which to be proud, in both economic and social terms. Our economic performance, indeed, looks better than that of most other major countries. Yet can one really take much gratification from our pattern of labour-management relations, of federal-provincial give-and-take, or of wage and price performance? And do we take a serious enough view of the extent to which our future is inevitably interlinked with the common global destiny? Are we yet awake to the common problems with which we are confronted in the energy sphere in particular? We do in fact have the capability to exert a good deal of constructive influence in the wide international scene, and in some respects we are making a good mark. But I for one would like to see ourselves doing a great deal better.

C.E.Ritchie, *President and Chief Executive Officer*

Executive Vice-President and Chief General Manager's Report

The fiscal year which ended on October 31st was marked by a very satisfactory increase in earnings. After one year of relatively slow growth, our balance of revenue rose by 27.6% from $109.3 millions to $139.4 millions.

Total assets rose from $10,327 millions to $13,462 millions during the year. This is the largest increase on record in dollar terms, and in percentage terms it is the largest increase of the twentieth century. In recent years a strong expansion abroad has often accompanied less rapid growth at home and vice versa. But in 1974 developments produced substantial gains in both domestic and foreign business. Canadian assets rose by 25.6% and foreign currency assets grew by 36.7%.

Deposit Growth

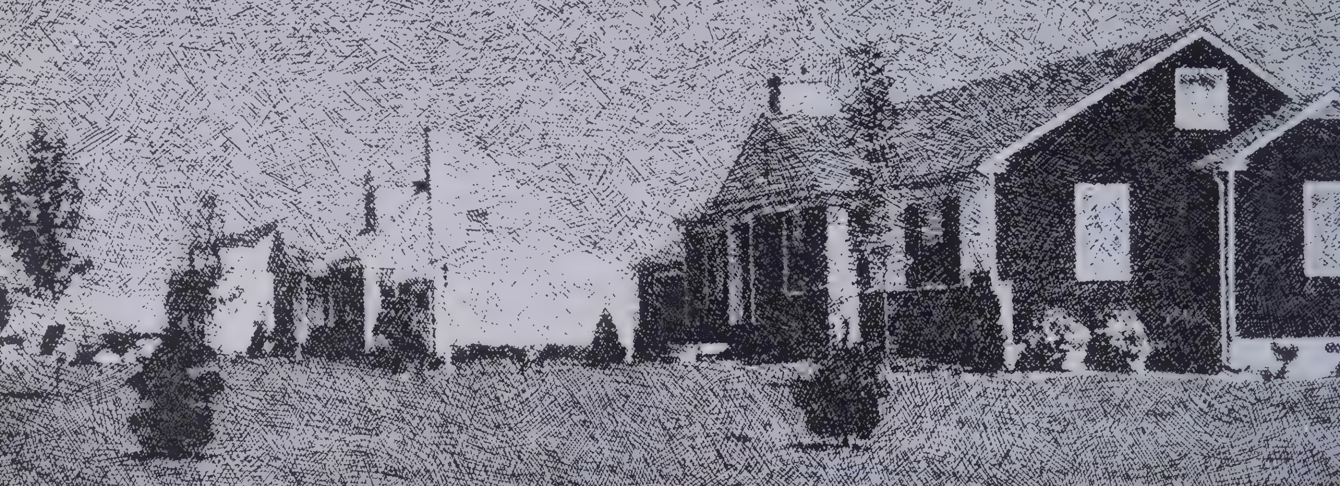
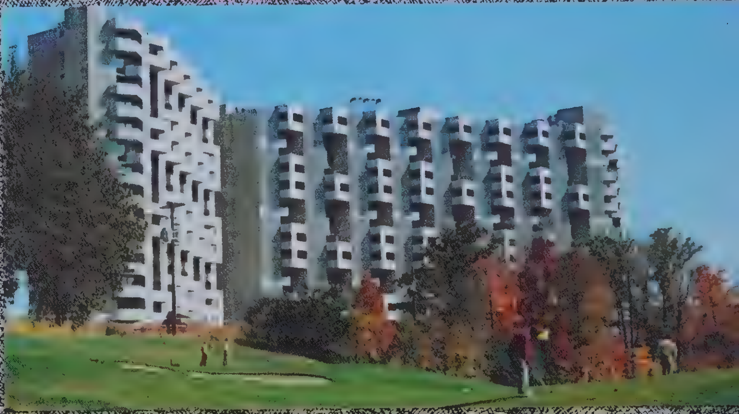
Domestic growth was primarily based on rapid increases in our Canadian dollar deposits. The fastest growing category was personal savings deposits which were up by 28.3%. More than half the increase in our total Canadian deposits reflected the exceedingly sharp rise in the personal term area. Reference was made last year to the degree to which holders of personal term deposits were then reaching for yield and extending term. But the uncertainties of the last year and the inverse yield curve which developed had a striking impact on the maturity distribution of our personal term deposits, producing an enormous shift from the medium-term area to the short end where we paid up to 10.5% on deposits of $5,000 or more. At this kind of level, our rates attracted funds from many members of the saving and investing public who were evidently discouraged by conditions in the stock and bond markets. The high rates we offered also led some investors to switch from Canada Savings Bonds to deposits with us during the year.

There was, however, an abrupt turnaround just after year-end. The Canada Savings Bond campaign drained off substantial amounts of our personal deposits, especially our personal term deposits, underlining once again the strong competition for savers' funds and the sensitivity of deposits to interest rates. The funds which moved to Canada Savings Bonds are, nonetheless, in effect still with us, in the form of the unusually high Government balances, which are interest-bearing and which in large part should remain with us for some time. Such a huge swing in our deposit base illustrates the uncertainties which complicate our business planning.

Our demand deposits recorded slow growth over the year. Depositors naturally tended to economize on current account balances in view of the extremely high interest rates available on short-term investments. But we did manage to increase our market share in this area.

In the environment of strong demands for credit we relied fairly heavily on wholesale money market deposits to match our growth in loans and to support our portfolio of liquid assets. Large Certificates of Deposit, the most important of these, did rise substantially over the year as a whole. But our ability to raise funds through them was at times seriously hampered by the interest rate ceilings on term deposits maturing in under one year agreed upon by the banks and the authorities, the so-called "Winnipeg Agreement". While we could have bid aggressively for Canadian dollar deposits of one year or more, we relied on foreign currency deposits mobilized by our international side and then swapped on a fully hedged basis into Canadian funds for financing our domestic operations to a greater extent than in the past. To some degree this depressed our interest margins and we have taken advantage of the slightly easier conditions of the past few months to reduce our reliance on this source of funds.

On the foreign currency side, deposits rose by no less than 39.2% during fiscal 1974. A gain of this magnitude, in the circumstances of the year, clearly indicates the high standing of The Bank of Nova Scotia in the world's financial markets.


Asset Growth

There were very strong gains in our lending activity both domestically and internationally. In Canada the requirements of our commercial and industrial customers were a major factor. Over and above the substantial increase in our domestic loan volumes, we had considerable recourse to bankers' acceptances and loans in foreign currency to stretch our limited resources and accommodate the legitimate credit needs of Canadian business. Besides the "double digit" inflation which has distorted so many aspects of business, the growth in our loans and the other financing we have arranged reflects the real growth arising from the expansion of our customer base, from business inventory accumulation, and from capital spending to meet the pressing demands of the moment and of the future. Despite the tighter conditions of a year when our prime rate for lending to larger businesses rose in four stages from 9% to 11.5%, we continued our commitment to sustaining the flow of credit to smaller businesses and to the less prosperous regions of the country. We continued to apply a specially favourable base rate to our loans to smaller business borrowers.

Our consumer credit balances also rose sharply, though the growth in demands tapered down somewhat over the year. A part of the gain in our Scotia Plan Loans obviously reflected no more than the impact of inflation on the dollar volume of consumer spending but there was also real growth in the year. The outlook, however, is for slower increases in our outstandings during 1975. Rates on Scotia Plan Loans were adjusted upwards in 1974 but to a lesser degree than the general increase in the Canadian interest rate structure.

We have extended our leadership in the area of consumer credit by entering the area of mobile home financing on a large scale. The financing we offer has widened considerably the availability of this form of low-cost housing – something of particular importance to the less developed parts of the country. It appears to us that many existing government restrictions should be rethought in the light of the substantial contribution that mobile homes can make to solving Canada's housing problems. Already they account for something over 10% of the supply of new housing units coming on the market in Canada.

There was a very marked shift in the direction of the housing market during the year. In the first half of the year the boom conditions of the previous year or two continued, and there were very great demands upon us for mortgage funds. Around the middle of the fiscal year, however, credit conditions tightened abruptly. In addition to moving our mortgage loan rates up in line with the market, we thought it prudent to introduce some restrictions on loan-to-value ratios (though these restrictions have now been eased). The extraordinary inflation of house prices broke shortly afterwards. There has been a considerably lower level of activity in the market for existing houses and the rate of new housing starts has dropped off steeply. Demands on us for mortgage credit have therefore moderated considerably, even though we are continuing to make such credit available to individuals through our branch network. The net result of the year's activity was an increase of $151 millions in our holdings of residential mortgages, both conventional and insured under the National Housing Act. A substantial allocation of funds to mortgages is planned for fiscal 1975. But our plans are necessarily tentative until we have had a chance to assess the full impact of the large diversion of our personal savings and term deposits into Canada Savings Bonds; and the amount we will be able to make available will depend on developments during the year.

One major priority in 1974 was that of maintaining our portfolio of liquid assets. Our liquidity position did, in fact, deteriorate during the first half of the fiscal year. But starting in the spring we began a steady build-up of our holdings of Government of Canada bonds, adding $77

Helping to solve the housing problem

Housing remains a major problem for many Canadians, and government and other agencies are deeply involved in seeking a solution. The Bank, long active in this area, provides financing for home development. Our residential mortgage holdings have increased to $151 million and housing development financing has included projects in all parts of Canada. A typical example is the apartment complex, top, in Etobicoke, Ontario overlooking the Markland Woods golf course, built by Thorncroft Estates Limited. Serviced land for housing is being developed in the Calgary area, above middle, by Carma Developers Limited, one of Canada's largest firms in this field. The Bank is active on a large scale in a housing solution which is rapidly winning popularity – the mobile home. Ten per cent of all new Canadian housing units are now of the type shown far left; part of a project developed by Parkington Corporation of Kingston Ltd., in Kingston, Ontario. And, left, is shown a group looking over a large Vancouver housing project, a Crest Realty Limited development.


THE BANK OF NOVA SCOTI

millions between the end of March and October 31 and bringing them to the highest level on record. Our holdings of $490 millions in Government of Canada Treasury bills at year-end were also a record and up by $162 millions from October 31, 1973.

It is immediately apparent that in a year when our foreign currency assets rose by [illegible] there was very considerable progress in our international operations. After the big increases in deposits with banks during 1972 and 1973, a higher proportion than usual of the growth in foreign currency assets in 1974 was channelled directly into loans. Some of this growth in foreign currency loans reflected our efforts to meet the financing requirements of our domestic customers. But a larger proportion represented the expansion of our international lending activities. A good part of this expansion was in the United States, where our efforts to seek out good new business were very successful. In the broader area of country and project financing, too, we were also very active. The quality of our international loan portfolio was a prime concern during this troubled year, but worldwide demands for credit were so strong that we were able to step up our lending substantially and at the same time maintain our strict lending standards.

New Development Projects

Last year we noted that Chargex was our largest new development project of the year. In 1974, our Chargex operation experienced phenomenal growth, largely because Chargex has become the most widely accepted credit card in Canada, but also because of our good service to the public. Because we joined in the Chargex group relatively late, we were able to take advantage of the most recent technology and therefore to achieve a relatively efficient organization in a short time. We have already exceeded our expectations as to share of market. There have been some startup problems, and we are continuously updating both the technology and the credit evaluation system. But we are satisfied that we have moved into a leading position in the credit card field in the short two years from decision to full operation.

Reference was made in the last report to "Scotiaclub", a new service offering our customers an "all-inclusive" personal banking package at a flat monthly fee. This has been integrated with Chargex and is now coming into a profit position.

Not all new ventures succeed. Our Income Tax advisory service did not stand the test of acceptable profitability. It was tried experimentally in a limited number of branches in 1973 and the results were encouraging. But the considerably expanded test of 1974 indicated that we could not achieve the desired objectives, so we have turned our attention elsewhere.

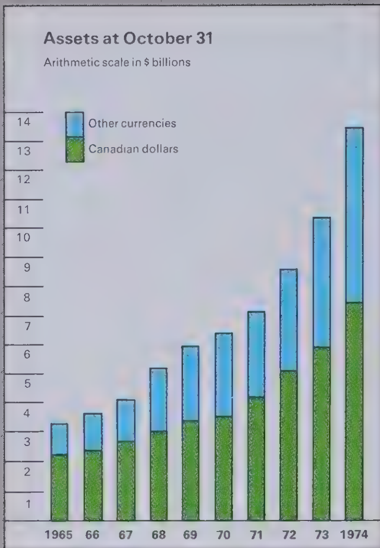
Several other new ventures deserve some comment. The Scotiafund Retirement Savings Plan got underway in time to meet the February 1974 deadline for the 1973 income tax year and had a very successful first year. Demand leaned towards the deposit type of instrument but sales of the equity fund were very good in the light of difficult market conditions. For the 1974 taxation year, we have expanded this service to include a fixed term deposit and a mortgage investment trust.

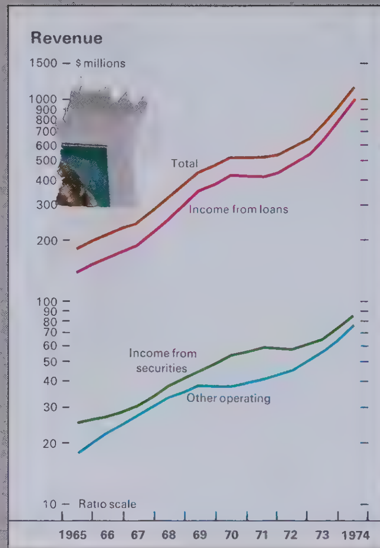
Telaccount, our joint venture with Datacrown, supplies accounting services to small businesses through a telephone line hookup to a computer. In the past year Telaccount opened offices in Montreal, Vancouver and Hamilton, and continued to improve its technology to provide a simple, efficient service to small firms. The first users have been very pleased with this facility, and we think it has very good prospects.

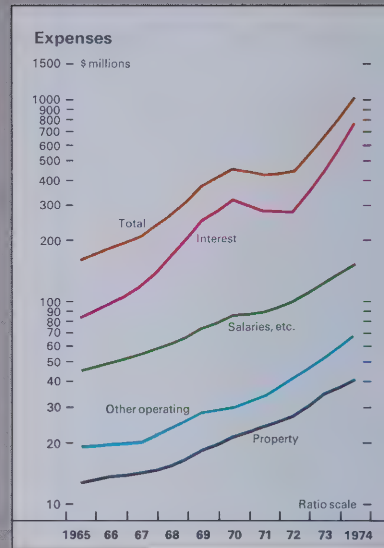
"Consolidated Cash Plan" is another new service for our business customers. For firms with branch offices in different parts of the country, it provides a daily consolidation of their deposit balances, pooling their

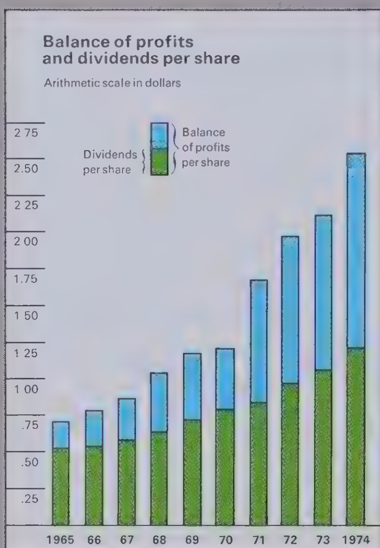
Preparing people for service

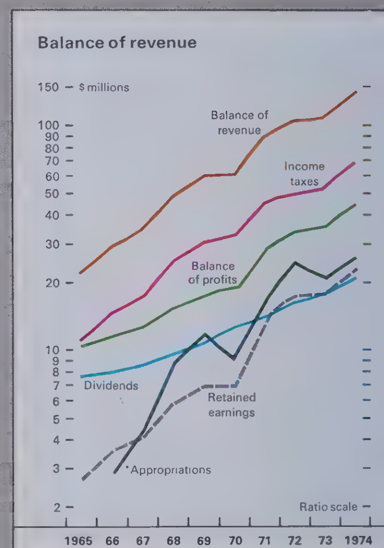
The world of banking is a challenging one. In an era of tremendous change, it demands adaptable, knowledgeable, community-oriented personnel, and this is reflected in the Bank's training programs. These include courses at the management level and a completely new modular program for branch staff up to the accountant level. During 1974, over 3,300 Scotiabank people participated in one of our training courses. These included teller trainees, top, shown practising customer service at the Toronto Centre. Attending a communications course at York University are Scotiabankers, above left, just a few of the additional 1,000 who were enrolled in university programs sponsored by the Institute of Canadian Bankers. Our Calgary people, above right, were attending an administrative practices seminar for accountants and senior administrative officers.











*Appropriations for losses prior to 1966 were negligible.

The Bank's income dollar and how it is spent

available funds and minimizing their borrowing requirements. Here again our objective is to serve the interests of the customer, on the philosophy that what is good for our clients will ultimately be good for the Bank.

Under its new management, Scotia-Toronto Dominion Leasing has opened its second office, this one in Montreal, and built up an experienced and skilled staff. The business has been in active communication about its leasing and term lending programs with our branches in those provinces where it is now operating and further expansion is planned.

Within a few weeks we expect the start-up of another specialized new associate, Scotia Factors Limited. This company will specialize in the assumption of credit risks on receivables and the administration of credit and collections. It will provide diversified financing for corporate clients. Much forward planning has gone into this venture, including the development of sophisticated computer programs to handle this complex business. We have advance indications that this enterprise will be well received.

During the past year our range of services to the farming community has been enhanced through the introduction of Scotia Farm Services. This is an enlarged and consolidated program, features of which include the addition of experienced agrologists to the Bank's staff, the promotion of line of credit financing on a broader scale and the introduction of a life insurance service designed specifically for our farm clientele. Scotia Farm Services is under continued development and our goal is to strengthen even further our well established relationship with the farming sector.

Computer Development

The past year was one of major development in our computer systems. We purchased a large new computer at the top end of the line, adding it to the existing hardware at our Toronto corporate data centre. This entailed an extensive physical rearrangement of our facilities, including not only peripheral equipment and the Chargex on-line authorization centre, but also the installation of electrical backup equipment to protect our hardware and keep it operating in the event of interruptions to the power supply.

The data centre in Saint John, N.B., now just starting up, is the newest of our eight regional data centres, all of which are linked to our central facility in Toronto. Nearly 600 branches have the "demand deposit accounting" system, and about 150 branches have terminals for handling savings accounts. A new generation of branch terminals is on order, with installation expected to take place over the next few years.

Rights Issue

In March 1974, we decided to issue to our shareholders rights to purchase additional shares on the basis of one new share for each ten outstanding. This issue was successfully completed, with 97% of the offering of 1,687,500 shares being taken up at the issue price of $33.50. The balance of 51,000 shares representing fractions of shares and unsubscribed stock, was sold to the sponsoring group of investment dealers. Altogether, the rights issue raised $56.5 millions, well over half of all new common equity issued by Canadian corporations in the first half of 1974. This in itself reflects how difficult conditions were in the stock market during the two months from the time the issue was announced until it was closed on May 15th. The management of the Bank is encouraged indeed by the confidence expressed by the shareholders. In a financial world suffering from serious strains, as the President has discussed in his Report more fully, it is gratifying to retain the support of the owners.

There has never been a time since the war when the liquidity of

The Bank of Nova Scotia
Highlights of Consolidated Results
In Thousands of Dollars

Assets and Liabilities as at	October 31, 1974		October 31, 1973	
	Fully Consolidated	Statutory	Fully Consolidated	Statutory
Total Deposits	$12,476,348	$12,112,940	$ 9,671,836	$ 9,360,149
Total Loans	8,447,748	7,968,152	6,287,505	5,908,304
Total Securities	1,400,089	1,370,772	1,060,401	1,031,913
Total Assets	14,009,942	13,462,476	10,795,596	10,327,629
Total Capital Employed	535,941	520,779	454,558	438,626
Minority Shareholders' Capital Funds	9,809	—	9,065	—
Capital Funds	526,132	520,779	445,493	438,626

Revenue and Expenses for the Year Ended	October 31, 1974		October 31, 1973	
	Fully Consolidated	Statutory	Fully Consolidated	Statutory
Total Revenue	$ 1,228,450	$ 1,173,837	$ 807,319	$ 770,957
Total Expenses	1,085,410	1,034,394	692,835	661,678
Balance of Revenue After Minority Interest and Before Income Taxes	143,040	139,443	114,484	109,279
Per Share	8.15	7.94	6.78	6.48
Balance of Revenue After Income Taxes	70,873	70,543	58,952	56,779
Per Share	4.03	4.01	3.49	3.36
Balance of Profits after Transfers to Appropriations for Losses Account	44,567	44,543	37,609	35,779
Per Share	2.54	2.54	2.23	2.12

Note: The above highlights of the fully consolidated financial statements include the assets, liabilities and results of operations of all subsidiaries. The results of associated companies, in which the Bank has a significant but not controlling interest, are included on an equity basis.

Comments

Under the Bank Act only wholly owned subsidiaries engaged in banking may be consolidated in the annual financial statements of a bank. The Bank believes that the operations of certain other subsidiary and affiliated companies, which are not consolidated in its statutory reports, are sufficiently important to warrant disclosure of their contribution to the financial results. Accordingly, fully consolidated financial statements have been prepared and the following highlights, reported upon by the shareholders' auditors to the Board of Directors, are set out below.

Year to year differences between consolidated and non-consolidated earnings result from the varying proportions of earnings of subsidiaries which are paid to the Bank as dividends and included in statutory earnings. Further, in the current year consolidated earnings are adversely affected by operating losses of certain subsidiaries which are in the development stage.

corporations has been under such close scrutiny as it is today. Banks, including those in the largest category such as ourselves, are no exception. We are very conscious of our obligations to ensure that the various tests of liquidity and soundness can be met, and are seen to be met. This includes the ratio of equity and capital funds employed to deposit liabilities, as well as the statutory and conventional liquidity requirements of a bank. The 1974 rights issue increased the equity capital of the Bank by $56.5 millions, of which $51.8 millions was paid up by year-end, the balance of $4.7 millions being due in instalments over the next six months. In addition, as the earnings statement for the fiscal year shows, we transferred $31 millions from accumulated appropriations for losses to rest account, thus bringing our total equity capital at October 31 to $403 millions. This results in a ratio of equity to deposit liabilities of 3.4%. When the $118 million debenture portion of our capital base is taken into consideration, the year-end ratio of capital to deposit liabilities rises to 4.3%. Under present legislation, and with the present equity base, we have unused debenture issuing capacity of $83 millions.

More generally, despite the very rapid growth in our total assets and deposits liabilities in the past few years, we have kept pace with our capital requirements, and our present ratios are well in line with the recognized standards for Canadian banks. The very wide base of our business, including the broad retail distribution of our deposits and of our consumer loans and mortgages, reduces considerably our vulnerability to adverse conditions in the world economy.

There was a net increase of 25 in the number of our offices during the year, compared to a rise of 24 last year. The number of offices in Canada was up by 22 and in foreign countries by three. Abroad, we have opened a representative office in Manila, the Philippines, and this location has also been made the Regional Office for the Pacific Rim area. It is relatively central for a far-flung stretch of the world, and will help us to administer a number of offices with very different environments. At the very end of the year, we also opened new facilities in Singapore and Panama City.

Earnings, Expenses, and Appropriations

The balance of revenue before income taxes increased $30.2 millions over 1973, or 27.6%. While interest revenue on loans and other assets increased by more than $380 millions, there was also a large increase in interest paid to depositors and debenture holders, of approximately $320 millions. On balance, the net growth in interest revenues of some $60 millions was wholly due to the growth in assets. In fact, interest profit margins narrowed in Canada. On the other hand, the spread on foreign currency business improved somewhat over 1973.

Income taxes came to $68.9 millions, including a federal surtax of $2.7 millions which was announced in the Budget just after our year-end. Hence the balance of revenue after tax was $70.5 millions. From this sum, we have made an appropriation of $26 millions to the accumulated general reserve for losses, leaving a balance of profits for the year of $44.5 millions, up 24.5% over 1973.

Dividends amounted to $21.3 millions, or $1.21 per share on the average number of shares outstanding over the year, which was of course affected by the rights issue. The dividend was increased from 28 cents per share in the first quarter to 30 cents in each of the second and third quarters and to 33 cents in the fourth quarter.

Subtracting dividends from the balance of profit, $23.2 millions was brought forward. To this we added $8 millions from tax-paid general appropriations for losses and the undivided profits of $1.5 millions from 1973. Altogether these items aggregated $32.7 millions, of which $31 millions was transferred to the rest account and $1.7 millions was left in undivided profits.

Shareholders will be glad to know that our provisions for losses on loans, which is an item deducted from current earnings on a 5-year average basis, is only moderately higher than in previous years. Provisions for losses on foreign currency assets were actually lower in 1974 than in 1973, and in general it can be said that losses on foreign currency assets this year and in the past five years have been lower than on Canadian dollar assets, both absolutely and as a percentage of assets. Thus we feel that we are in a very strong position in a time of widespread difficulties from which we hope the world economy will soon emerge.

Personnel

We are keenly aware of the fact that the excellent results which the Bank has enjoyed this past year reflect the skills and dedication of 17,000 Bank of Nova Scotia people. The skills we have come to expect and the dedication of our staff – at a time when our banking operations and services have moved further into the technological age – have been most encouraging. It gives us a sense of great confidence in the Bank's ability to meet the problems and opportunities of the coming year.

Each successive annual report sees the Bank established in more countries and further broadening its international banking capabilities. We pay a special tribute to those members of our staff who accept appointments in countries other than their own, and who consistently apply their adaptability, flexibility, and responsiveness in the pursuit of the Bank's progress and their own self-development.

J.A.G.Bell, *Executive Vice-President and Chief General Manager*

Auditors' Report
To the shareholders of
The Bank of Nova Scotia

We have examined the statement of assets and liabilities of The Bank of Nova Scotia as at October 31, 1974, a[n] the statements of revenue, expenses and undivided profits, accumulated appropriations for losses and rest account for the year ended on that date. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidenc[e] as we considered necessary in the circumstances.

In our opinion the foregoing statemen[ts] present fairly the financial position of the Bank as at October 31, 1974, and the revenue, expenses and undivided profits, accumulated appropriations f[or] losses and rest account for the year ended on that date.

D.L.Gordon, F.C.A.,
of Clarkson, Gordon & Co.

A.G.Watson, F.C.A.,
of Peat, Marwick, Mitchell & Co.

Toronto, Canada, November 26, 197[4]

The Bank of Nova Scotia
Statement of Assets and Liabilities

As at October 31	1974	1973
Assets		
Cash and due from banks	$ 3,172,943,205	$ 2,761,509,161
Cheques and other items in transit, net	84,682,346	84,620,790
Total Cash Resources	3,257,625,551	2,846,129,951
Securities issued or guaranteed by Canada, at amortized value	902,269,225	652,812,223
Securities issued or guaranteed by provinces, at amortized value	53,038,583	55,852,324
Other securities, not exceeding market value	415,464,551	323,248,932
Total Securities	1,370,772,359	1,031,913,479
Day, call and short loans to investment dealers and brokers, secured	297,370,376	273,664,950
Other loans, including mortgages, less provision for losses	7,670,781,698	5,634,638,761
Total Loans	7,968,152,074	5,908,303,711
Bank premises at cost, less amounts written off	88,412,031	70,148,837
Securities of and loans to corporations controlled by the bank	47,998,565	37,678,087
Customers' liability under acceptances, guarantees and letters of credit, as per contra	704,662,876	413,706,050
Other assets	24,852,824	19,749,077
	$13,462,476,280	$10,327,629,192
Liabilities		
Deposits by Canada	$ 139,318,549	$ 193,961,880
Deposits by provinces	477,811,133	132,829,994
Deposits by banks	2,391,976,515	1,928,105,625
Personal savings deposits payable after notice, in Canada, in Canadian currency	3,635,109,405	2,834,330,154
Other deposits	5,468,724,821	4,270,921,715
Total Deposits	12,112,940,423	9,360,149,368
Acceptances, guarantees and letters of credit	704,662,876	413,706,050
Other liabilities	28,064,556	19,989,686
Accumulated appropriations for losses	96,029,886	95,157,874
Capital Funds		
Debentures issued and outstanding (Note 2)	117,568,000	118,421,000
Shareholders' Equity:		
CAPITAL STOCK—AUTHORIZED 25,000,000 SHARES AT $2 PER SHARE		
Capital paid up (Note 3)	36,841,578	33,750,000
Rest account	364,692,617	285,000,000
Undivided profits	1,676,344	1,455,214
TOTAL SHAREHOLDERS' EQUITY	403,210,539	320,205,214
Total Capital Funds	520,778,539	438,626,214
	$13,462,476,280	$10,327,629,192

C.E.Ritchie, *President and Chief Executive Officer*

J.A.G.Bell, *Executive Vice-President and Chief General Manager*

The Bank of Nova Scotia
Statement of Revenue, Expenses and Undivided Profits

For the financial year ended October 31	1974	1973
Revenue		
Income from loans	$1,010,194,606	$646,665,614
Income from securities	86,050,372	66,763,640
Other operating revenue	77,592,449	57,527,528
Total revenue	1,173,837,427	770,956,782
Expenses		
Interest on deposits and bank debentures	771,994,363	446,375,640
Salaries, pension contributions and other staff benefits	153,095,869	126,537,628
Property expenses, including depreciation	41,012,187	35,065,377
Other operating expenses, including provision for losses on loans based on five-year average loss experience	68,291,668	53,698,951
Total expenses	1,034,394,087	661,677,596
Balance of revenue	139,443,340	109,279,186
Provision for income taxes relating thereto (Note 4)	68,900,000	52,500,000
Balance of revenue after provision for income taxes	70,543,340	56,779,186
Appropriation for losses	26,000,000	21,000,000
Balance of profits for the year	44,543,340	35,779,186
Dividends	21,322,210	17,887,500
Amount carried forward	23,221,130	17,891,686
Undivided profits at beginning of year	1,455,214	1,563,528
Transfer from accumulated appropriations for losses	8,000,000	12,000,000
	32,676,344	31,455,214
Transferred to rest account	31,000,000	30,000,000
Undivided profits at end of year	$ 1,676,344	$ 1,455,214

The Bank of Nova Scotia
Statement of Rest Account

For the financial year ended October 31	1974	1973
Balance at beginning of year	$ 285,000,000	$255,000,000
Premium on issue of additional capital stock (Note 3)	48,692,617	—
Transferred from undivided profits	31,000,000	30,000,000
Balance at end of year	$ 364,692,617	$285,000,000

The Bank of Nova Scotia
Statement of Accumulated Appropriations for Losses

For the financial year ended October 31	1974	1973
Accumulated appropriations at beginning of year		
General	$ 60,068,943	$ 69,115,599
Tax paid	35,088,931	25,499,722
Total	95,157,874	94,615,321
Additions (deductions) during year:		
Appropriation from current year's operations	26,000,000	21,000,000
Loss experience on loans less provision included in other operating expenses	(1,321,405)	(336,704)
Profits and losses on securities, including provisions to reduce securities other than those of Canada and provinces to values not exceeding market	(16,106,510)	(8,150,182)
Other profits, losses and non-recurring items, net	699,927	629,439
Provision for income taxes, including credit of nil (1973-nil) related to appropriation from current year's operations (Note 4)	(400,000)	(600,000)
	104,029,886	107,157,874
Transfer to undivided profits	(8,000,000)	(12,000,000)
Accumulated appropriations at end of year		
General	42,267,837	60,068,943
Tax paid	53,762,049	35,088,931
Total	$ 96,029,886	$ 95,157,874

Notes to the Financial Statements

1 The Financial Statements include the assets and liabilities and results of operations of the following wholly owned subsidiaries: The Bank of Nova Scotia N.V.; BNS International (United Kingdom) Limited; B.N.S. International N.V.; B.N.S. International (Ireland) Limited; The Bank of Nova Scotia International Limited and its wholly owned subsidiary, The Bank of Nova Scotia International (Curacao) N.V.; B.N.S. International (Hong Kong) Limited; The Bank of Nova Scotia Channel Islands Limited and its wholly owned subsidiary The Bank of Nova Scotia Trust Company Channel Islands Limited.

2 Sinking fund debentures issued and outstanding at October 31:

	1974	1973
7% October 15, 1987	$ 12,568,000	$ 13,421,000
7% April 15, 1991 (maturity on October 15, 1977 at the option of the holder)	25,000,000	25,000,000
6¾%-7% January 1, 1992 (maturity on July 1, 1978 at the option of the holder)	50,000,000	50,000,000
7½% January 1, 1988 (maturity on July 1, 1979 at the option of the holder)	30,000,000	30,000,000
	$117,568,000	$118,421,000

3 During 1974 shareholders were offered rights to purchase additional shares on a 1 for 10 basis, the details of which are as follows:

	Number of shares	Amounts received to October 31, 1974: Capital paid up	Amounts received to October 31, 1974: Rest account	Amounts on completion: Capital paid up	Amounts on completion: Rest account
Fully paid	1,329,323	$2,658,646	$41,873,675	$ 3,375,000	$ 53,156,250
Partly paid	358,177	432,932	6,818,942	—	—
	1,687,500	$3,091,578	$48,692,617	$ 3,375,000	$ 53,156,250

4 Provision for income taxes shown in:	1974	1973
Statement of Revenue and Expenses	$ 68,900,000	$ 52,500,000
Statement of Accumulated Appropriations for Losses	400,000	600,000
Total provision for income taxes including surtax of $2,700,000 in 1974 calculated according to the proposed legislation announced in the Government of Canada's budget of November 18, 1974	$ 69,300,000	$ 53,100,000

Controlled Corporations of The Bank of Nova Scotia

The Bank of Nova Scotia Jamaica Limited

and its wholly owned subsidiary The Bank of Nova Scotia Trust Company of Jamaica Limited

Consolidated Statement of Assets and Liabilities

Balances expressed in Jamaican dollars (Canadian equivalent $1.0849)

As at October 31, 1974

Assets		
Cash, money at call and deposits with the Bank of Jamaica		J$ 21,339,550
Cheques and other instruments in the course of collection		20,874,415
Amounts due by other banks		2,736,443
Government of Jamaica securities at cost		19,497,608
Other investments at cost		680,256
Loans, less provision for losses		203,814,493
Customers' liability under acceptances, guarantees and letters of credit, as per contra		16,498,070
Bank premises at cost, less depreciation		9,624,566
Shares of The West India Company of Merchant Bankers Limited at cost		100,000
Other assets		752,633
		J$295,918,034
Liabilities		
Deposits		J$238,592,895
Amounts due to other banks		7,073,774
Cheques and other instruments in the course of payment		18,798,792
Acceptances, guarantees and letters of credit		16,498,070
Proposed dividend		845,620
Other liabilities		730,893
Capital and Surplus: (Note 2)		
Capital—Authorized 8,500,000 shares of J$1 each		
Issued and fully paid 6,600,000 shares	J$6,600,000	
General reserve	6,500,000	
Unappropriated profits	277,990	13,377,990
		J$295,918,034

Notes

1 The Bank of Nova Scotia Jamaica Limited was incorporated in December, 1966, to acquire the Jamaican banking business and undertakings of The Bank of Nova Scotia. The capital stock is 70% owned by The Bank of Nova Scotia and is carried on the books of the Bank at the amount of Canadian $6,623,070. The amounts due to other banks include J$2,484,674 due to The Bank of Nova Scotia.

2 On January 17, 1974, the authorized capital was increased by J$2,500,000 and J$600,000 of general reserve was capitalized and applied in paying up 600,000 stock units as bonus stock units to members.

Controlled Corporations of The Bank of Nova Scotia

The Bank of Nova Scotia Trinidad and Tobago Limited

and its wholly owned subsidiary The Bank of Nova Scotia Trust Company of the West Indies Limited

Consolidated Statement of Assets and Liabilities

Balances expressed in TT dollars (Canadian equivalent $.4794)

As at October 31, 1974

Assets		
Cash, money at call and deposits with Central Bank of Trinidad and Tobago		TT$ 13,895,472
Cheques and other instruments in the course of collection		6,136,723
Amounts due by other banks		621,681
Government of Trinidad and Tobago securities at cost		20,071,852
Other investments at cost		12,501
Loans, less provision for losses		133,412,456
Customers' liability under acceptances, guarantees and letters of credit, as per contra		14,284,098
Bank premises at cost, less depreciation		7,151,109
Other assets		567,456
		TT$196,153,348
Liabilities		
Deposits		TT$167,516,475
Cheques and other instruments in the course of payment		3,650,570
Acceptances, guarantees and letters of credit		14,284,098
Proposed dividend		780,000
Other liabilities		820,123
Capital and Surplus:		
Capital Stock—Authorized 10,000,000 shares of TT $1 each		
Issued and fully paid 6,500,000 shares	TT$6,500,000	
Reserve fund (Note 3)	2,022,209	
Unappropriated profits	579,873	9,102,082
		TT$196,153,348

Notes

1 In May, 1972, the Bank of Nova Scotia Trinidad and Tobago Limited acquired the banking business and undertakings of The Bank of Nova Scotia in Trinidad and Tobago. The capital stock is 77% owned by The Bank of Nova Scotia and is carried on the books of the Bank at the amount of Canadian $3,033,015. At October 31, 1974, The Bank of Nova Scotia Trinidad and Tobago Limited had a net indebtedness to The Bank of Nova Scotia of TT$7,369,516.

2 As of June 30, 1974, The Bank of Nova Scotia Trinidad and Tobago Limited purchased all of the outstanding shares of The Bank of Nova Scotia Trust Company of the West Indies Limited.

3 *Reserve Fund*

Balance at beginning of year	$ 288,184
Transfer from share premium account	500,000
Appropriated from profits	1,234,025
Balance at end of year	$2,022,209

Controlled Corporations of The Bank of Nova Scotia

The West India Company of Merchant Bankers Limited

Statement of Assets and Liabilities

Balances expressed in Jamaican dollars (Canadian equivalent $1.0849)

as at October 31, 1974

Assets		
Cash and amounts due by other banks		J$ 44,911
Fixed term deposit with The Bank of Nova Scotia Jamaica Limited		4,417,442
Loans		2,165,033
Investments at cost		38,528
Customers' liability under guarantees and commitments accepted		2,596,225
Furniture, fixtures and equipment at cost, less depreciation		8,783
Other assets		2,377
		J$9,273,299
Liabilities		
Deposits		J$6,192,087
Guarantees and commitments accepted, per contra		2,596,225
Proposed dividend		63,825
Other liabilities		58,659
Capital and Surplus:		
Capital stock—authorized and fully paid up, 300,000 shares of J$1 each	J$300,000	
Unappropriated profits	62,503	362,503
		J$9,273,299

Note: The West India Company of Merchant Bankers Limited provides investment banking services in Jamaica. The capital stock is two-thirds owned by The Bank of Nova Scotia and is carried on the books of the Bank at the amount of Canadian $257,685. The Bank of Nova Scotia Jamaica Limited owns the remaining shares.

Empire Realty (Cayman) Limited

Statement of Assets and Liabilities

Balances expressed in Cayman Islands dollars (Canadian equivalent $1.182)

as at October 31, 1974

Assets		
Accounts receivable		CI$ 5,881
Other assets		14,243
Land and buildings at cost	CI$1,906,091	
Less accumulated depreciation	52,446	1,853,645
		CI$1,873,769
Liabilities		
Accounts payable		CI$ 19,503
Loan from The Bank of Nova Scotia		2,128,177
		2,147,680
Capital and Deficit:		
Capital stock—authorized 160,000 shares of a par value of $1 each		
Issued 500 shares	CI$ 500	
Deficit	274,411	273,911
		CI$1,873,769

Note: Empire Realty (Cayman) Limited owns the Bank's office building in the Cayman Islands part of which is occupied by the Bank. During 1974, The Bank of Nova Scotia purchased an additional 50% of the company's shares and now holds 100%. The investment is carried on the books of the Bank at the amount of Canadian $617.

Controlled Corporations of The Bank of Nova Scotia

The Bank of Nova Scotia Trust Company (Bahamas) Limited

and its wholly owned subsidiaries The Bank of Nova Scotia Trust Company of the West Indies Limited, The Bank of Nova Scotia Trust Company (Cayman) Limited, The Bank of Nova Scotia Trust Company (Caribbean) Limited

Consolidated Statement of Assets and Liabilities

Balances expressed in Bahamas dollars (Canadian equivalent $.9846)

As at December 31, 1973

Assets		
Cash in bank		B$37,066,737
United Kingdom Government securities at amortized value, plus accrued interest		1,192,257
Canadian Government securities at amortized value, plus accrued interest		262,865
Barbados Government, Jamaican Government and Bahamas Government securities at amortized value, plus accrued interest		609,995
Other investments at the lower of cost or estimated realizable value		833,344
Loans and discounts		7,054,232
Customers' liability under guarantees and other obligations, as per contra		647,716
Furniture, fixtures and equipment at cost, less depreciation		185,073
		B$47,852,219
Liabilities		
Deposits, trusts and other balances		B$44,687,541
Guarantees and other obligations		647,716
Dividend payable		202,500
Other liabilities		44,050
Capital and Surplus:		
Capital stock—authorized 3,000,000 shares of B$1 each		
Issued 2,250,000 shares	B$2,250,000	
Earned surplus	20,412	2,270,412
		B$47,852,219

Notes

1 The Bank of Nova Scotia Trust Company (Bahamas) Limited provides a full range of personal and corporate trust services. The capital stock is 60% owned by The Bank of Nova Scotia and is carried on the books of the Bank at the amount of Canadian $1,392,786.

2 As of June 30, 1974, The Bank of Nova Scotia Trust Company (Bahamas) Limited sold all the outstanding shares of The Bank of Nova Scotia Trust Company of the West Indies Limited for B$336,043.

Controlled Corporations of The Bank of Nova Scotia

The Bank of Nova Scotia Trust Company of New York

Statement of Assets and Liabilities

Balances expressed in United States dollars (Canadian equivalent $.9846)

As at October 31, 1974

Assets		
Cash and amounts due by other banks		US$11,885,245
Investment bonds at amortized value, plus accrued interest		2,102,716
Furniture, fixtures and equipment at cost, less depreciation		7,510
Other assets		21,139
		US$14,016,610
Liabilities		
Deposits, trusts and other balances		US$11,967,335
Income taxes payable		23,222
Other liabilities		10,997
Capital and Surplus:		
Capital stock—authorized and issued 10,000 shares of a par value of $100 each	US$1,000,000	
Paid in surplus	1,000,000	
Undivided profits	15,056	2,015,056
		US$14,016,610

Note: The Bank of Nova Scotia Trust Company of New York provides fiduciary services. The capital stock, except for the Directors' qualifying shares, is wholly owned by The Bank of Nova Scotia and is carried on the books of the Bank at the amount of U.S. $1,986,000.

The Bank of Nova Scotia Trust Company (United Kingdom) Limited

Statement of Assets and Liabilities

Balances expressed in Pounds sterling (Canadian equivalent $2.3011)

As at October 31, 1974

Assets		
Cash and amounts due by other banks		£ 308,240
Loans		5,571,955
United Kingdom Government securities at cost		100,000
Other assets		6,113
		£5,986,308
Liabilities		
Loan from The Bank of Nova Scotia		£1,939,536
Deposits, trusts and other accounts		3,931,673
Other liabilities		16,505
Capital and Deficit:		
Capital stock—authorized 500,000 ordinary shares of £1 each		
Issued 300,000 shares	£300,000	
Deficit	201,406	98,594
		£5,986,308

Note: The Bank of Nova Scotia Trust Company (United Kingdom) Limited provides fiduciary services. The capital stock is wholly owned by The Bank of Nova Scotia and during 1974 the Bank purchased for cash 200,000 shares. The total investment is carried on the books of the Bank at the amount of Canadian $722,900.

Controlled Corporations of The Bank of Nova Scotia

Empire Realty Company, Limited

Statement of Assets and Liabilities

As at October 31, 1974

Assets		
Current Assets		
Cash in bank	$ 44,194	
Accounts receivable	138,485	
Prepaid expenses	7,734	$ 190,413
Joint Ventures, at cost		
Investment in shares	775,000	
Land leased to joint venture	6,152,107	6,927,107
Fixed Assets		
Land and buildings at cost	26,834,386	
Less accumulated depreciation	13,068,461	13,765,925
		$20,883,445
Liabilities		
Current Liabilities		
Accrued liabilities	$ 29,392	
Corporation taxes payable	4,080	$ 33,472
Loan from The Bank of Nova Scotia		15,837,759
Capital and Surplus		
Capital stock—authorized, issued and fully paid, 50,000 shares of a par value of $100 each	5,000,000	
Retained earnings	12,214	5,012,214
		$20,883,445

Notes

1 Empire Realty Company, Limited owns the Bank's General Office buildings in Toronto and is also participating, through corporate joint ventures, in the development of office buildings, part of which will be occupied by the Bank. Commitments in respect to these projects aggregate $62,200,000 of which the company's share is $31,100,000.

2 The capitalstock is wholly owned by The Bank of Nova Scotia and is carried on the books of the Bank at the amount of $5,000,000.

Auditors' Report

to the shareholders of The Bank of Nova Scotia

We have examined the statements of assets and liabilities of the foregoing controlled corporations as of the dates indicated. Our examinations included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances. In our opinion the accompanying statements of assets and liabilities present fairly the financial positions of the corporations as at the dates indicated.

Auditors

D.L.Gordon, F.C.A., of Clarkson, Gordon & Co.
A.G.Watson, F.C.A., of Peat, Marwick, Mitchell & Co.
Toronto, Canada, November 26, 1974

The Bank of Nova Scotia Jamaica Limited

and its wholly owned subsidiary The Bank of Nova Scotia Trust Company of Jamaica Limited

Consolidated Balance Sheet

Balances expressed in Jamaican dollars

As at October 31	1974	[illegible]
Assets		
Cash resources		
Coin	$ 163,117	$ 98,875
Notes of, deposits with, and money at call at, Bank of Jamaica	20,896,605	12,832,462
Government and bank notes other than Jamaican	279,828	254,482
Amounts due by other banks	2,736,443	[illegible]
Cheques and other instruments in the course of collection	20,874,415	16,314,835
	44,950,408	[illegible]
Investments		
Government of Jamaica securities	19,497,608	20,875,365
Other	680,256	905,379
Fellow subsidiary company	100,000	100,000
	20,277,864	21,880,744
Loans		
Loans, after making provision for losses	203,814,493	176,926,220
Other assets		
Customers' liability under acceptances, guarantees and letters of credit as per contra	16,498,070	16,115,435
Land, buildings and equipment at cost less depreciation	9,624,566	[illegible]
Other assets	752,633	196,157
	$295,918,034	[illegible]
Liabilities		
Deposits	$238,592,894	[illegible]
Amounts due to other banks	5,274,052	[illegible]
Accounts with parent and fellow subsidiary companies	1,799,723	6,280,679
Cheques and other instruments in the course of payment	18,798,792	12,702,628
Acceptances, guarantees and letters of credit	16,498,070	16,115,435
Proposed dividend, less tax	845,620	656,250
Other liabilities	730,893	1,263,754
	282,540,044	[illegible]
Capital and reserves		
Capital—		
Authorized ordinary shares of $1 each (Note 1)	8,500,000	6,000,000
Issued and fully paid, ordinary stock units of $1 each (Note 1)	6,600,000	6,000,000
General reserve (Note 1)	6,500,000	6,500,000
Unappropriated profits	277,990	353,930
	13,377,990	12,853,930
	$295,918,034	$256,355,853

A.H.Crockett, I.M.MacGregor, D.J.Judah, *Directors* A.C.L.Delgado, *Secretary*

The Bank of Nova Scotia Jamaica Limited

and its wholly owned subsidiary The Bank of Nova Scotia Trust Company of Jamaica Limited

Consolidated Profit and Loss Account

For the year ended October 31		1974	1973
Profit before taxation after provision for contingencies		$4,583,460	[illegible]
Company profits tax at 30% on the above		1,380,000	[illegible]
Profit after company profits tax		3,203,460	4,067,373
Additional company profits tax at 15% on profit before taxation		690,000	872,000
Net profit		2,513,460	[illegible]
Dealt with in the accounts of the parent company	$2,511,648		[illegible]
Deduct:			
Dividends paid and proposed, gross:			
Interim dividend paid – 12½% (12½%)		825,000	750,000
Final dividend proposed – 17½% (17½%)		1,155,000	[illegible]
		1,980,000	1,800,000
Less income tax deducted and retained		530,600	[illegible]
		1,449,400	1,125,000
		1,064,060	2,070,373
Unappropriated profits at beginning of year		353,930	[illegible]
		1,417,990	2,253,930
Provision arising from income tax law amendment reducing effective rate of tax deducted from dividends in prior years		540,000	
Transfer to general reserve		600,000	[illegible]
		1,140,000	1,900,000
Unappropriated profits at end of year		$ 277,990	[illegible]
Retained in the accounts of the parent company		$ 45,666	[illegible]
Retained in the accounts of the subsidiary company		232,324	[illegible]
		$ 277,990	$ 353,930
Net profit per stock unit calculated on 6,600,000 stock units		38.1¢	[illegible]

Notes

1 On January 17, 1974 the authorized capital was increased by $2,500,000 and $600,000 of general reserves was capitalised and applied in paying up 600,000 stock units as bonus stock units to members.

2 Foreign currencies have been converted at the rates of exchange ruling at statement dates.

3 In arriving at the profit for the year the following have been charged:

	1974	1973
Directors' emoluments:		
Fees	$19,250	$22,750
Other (salaries of full-time officers who are directors)	56,579	44,556
Auditors' remuneration	32,000	29,300

Auditors' Report

To the members of The Bank of Nova Scotia Jamaica Limited

In our opinion the foregoing accounts give in the prescribed manner the information required of banking companies by the Companies Act 1965 and give a true and fair view of the state of affairs as at October 31, 1974, and of the profit for the year ended on that date of the Bank and of the group consisting of the Bank and its subsidiary.

We have obtained all the information and explanations which we considered necessary. In our opinion the Bank has kept proper books and obtained proper branch returns and the accounts of the Bank are in agreement with them and with the said information and explanations.

Price Waterhouse & Co., *Chartered Accountants*

Peat, Marwick, Mitchell & Co., *Chartered Accountants*

Kingston, Jamaica. November 15, 1974.

The Bank of Nova Scotia Trinidad and Tobago Limited

and its subsidiary The Bank of Nova Scotia Trust Company of the West Indies Limited

Consolidated Balance Sheet

Balances expressed in Trinidad and Tobago dollars

As at October 31	1974	[illegible]
Assets		
Cash Resources		
Cash and deposit with Central Bank of Trinidad and Tobago	$ 13,895,472	[illegible]
Amount due by other banks	621,681	[illegible]
Account with parent company	—	[illegible]
Cheques and other instruments in the course of collection	6,136,723	[illegible]
	20,653,876	[illegible]
Investments	20,084,353	[illegible]
Loans		
Loans, after making provision for losses	133,412,456	[illegible]
Other Assets		
Customers' liability under acceptances, guarantees and letters of credit as per contra	14,284,098	[illegible]
Land, buildings and equipment at cost less accumulated depreciation and amortization	7,151,109	[illegible]
Other assets	567,456	[illegible]
	22,002,663	[illegible]
	$196,153,348	[illegible]
Liabilities		
Deposits	$160,296,577	$129,786,767
Amounts due to other banks	—	[illegible]
Accounts with parent and fellow subsidiary companies	7,219,898	[illegible]
Cheques and other instruments in the course of payment	3,650,570	[illegible]
Acceptances, guarantees and letters of credit	14,284,098	[illegible]
Proposed dividend	780,000	[illegible]
Other Liabilities	820,123	[illegible]
	187,051,266	[illegible]
Capital and Reserves		
Capital:		
Authorized, 10,000,000 shares of $1 each, $10,000,000		
Issued and fully paid, 6,500,000 shares	6,500,000	6,500,000
Share premium account (Note 3)	—	[illegible]
Reserve fund (Note 3)	2,022,209	[illegible]
Unappropriated profits	579,873	[illegible]
	9,102,082	[illegible]
	$196,153,348	[illegible]

On the behalf of the Board

T.A. Boyles, *Chairman* M. de Souza, A. Ahamad, *Directors*

B. Arthurs, *General Manager*

The Bank of Nova Scotia Trinidad and Tobago Limited

and its subsidiary The Bank of Nova Scotia Trust Company of The West Indies Limited

Consolidated Profit and Loss Account

Year ended October 31	1974	1973
Profit for the year after providing for directors' fees of $13,672 ($12,534 in 1973)	$4,853,063	$4,599,353
Less corporation tax and unemployment levy	2,480,497	2,393,000
Net operating profit	2,372,566	2,206,353
Amortization of excess of cost over net book value of subsidiary company at date of acquisition (Note 1)	32,319	—
Net profit	2,340,247	2,206,353
Unappropriated profits at beginning of year	773,651	607,933
	3,113,898	2,814,286
Appropriated to reserve fund	1,234,025	220,635
Dividends paid		
Final for 1972, 10 cents per share	—	600,000
Interim for 1973, 16 cents per share	—	960,000
Interim for 1974, 8 cents per share	520,000	—
Dividends proposed		
Final for 1973, 4 cents per share	—	260,000
Final for 1974, 12 cents per share	780,000	—
	2,534,025	2,040,635
Unappropriated profits at end of year	$ 579,873	$ 773,651

Notes to Consolidated Financial Statements

1 *Principles of consolidation.* As of June 30, 1974, The Bank of Nova Scotia Trinidad and Tobago Limited purchased all of the outstanding shares of The Bank of Nova Scotia Trust Company of the West Indies Limited and the accompanying 1974 financial statements include the assets and liabilities of the subsidiary at October 31, 1974 and its results of operations from the date of acquisition. The excess of the cost of acquisition over net book value is being amortized in amounts equal to the net profit of the subsidiary since date of acquisition.

2 *Foreign currencies.* Assets and liabilities payable in foreign currencies have been translated to Trinidad and Tobago currency at the rates ruling on 31st October, 1974.

3 *Reserve fund*

Balance at beginning of year	$ 288,184
Transfer from share premium account	500,000
Appropriated from profits	1,234,025
Balance at end of year	$2,022,209

Auditors' Report to the Shareholders

We have examined the consolidated balance sheet of The Bank of Nova Scotia Trinidad and Tobago Limited and subsidiary at 31st October 1974 and the consolidated profit and loss account for the year then ended and have obtained all the information and explanations we have required. Our examination included a general review of accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, and according to the best of our information and the explanations given to us, these consolidated financial statements are properly drawn up so as to exhibit a true and fair view of the state of the affairs of the company and its subsidiary at 31st October 1974 and the results of their operations for the year then ended.

Peat, Marwick, Mitchell & Co., *Chartered Accountants*

Port of Spain, 14th November 1974

The Bank of Nova Scotia

Ten Year Statistical Review

Statement of Revenue, Expenses and Undivided Profits

In thousands of dollars	1965	1966	1967
Revenue			
Income from loans	$140,466	$164,767	$190,231
Income from securities	25,045	26,841	30,109
Other operating revenue	17,810	22,337	27,484
Total revenue	183,321	213,945	247,824
Expenses			
Interest on deposits	83,773	99,938	121,394
Salaries, pension contributions, etc.	45,303	50,709	56,259
Property expenses	12,994	13,983	14,462
Other operating expenses	19,116	19,847	20,700
Total expenses	161,186	184,477	212,815
Balance of revenue	22,135	29,468	35,009
Provision for income taxes	11,100	14,900	17,700
Balance of revenue after taxes	11,035	14,568	17,309
Appropriation for losses	589	2,867	4,400
Balance of profits for the year	10,446	11,701	12,909
Dividends	7,800	8,100	8,700
Amount carried forward	2,646	3,601	4,209
Undivided profits at beginning of year	1,214	860	1,461
Transfer from accumulated appropriation for losses	3,000		2,000
	6,860	4,461	7,670
Transferred to rest account	6,000	3,000	6,000
Undivided profits at end of year	$ 860	$ 1,461	$ 1,670

Note: For presentation purposes, certain statutory descriptions have been abbreviated.

1968	1969	1970	1971	1972	1973	1974
$253,192	$355,221	$427,908	$420,623	$451,784	$646,666	$1,010,195
38,399	45,507	54,479	59,969	59,274	66,764	86,050
33,696	38,623	38,559	41,842	47,128	57,527	77,592
325,287	439,351	520,946	522,434	558,186	770,957	1,173,837
171,341	255,918	320,478	281,467	280,208	446,376	771,994
63,969	75,647	86,445	90,624	100,820	126,538	153,096
15,895	18,807	21,962	24,736	27,346	35,065	41,012
24,645	28,953	30,172	34,008	42,438	53,699	68,292
275,850	379,325	459,057	430,835	450,812	661,678	1,034,394
49,437	60,026	61,889	91,599	107,374	109,279	139,443
25,000	30,500	32,900	46,300	49,700	52,500	68,900
24,437	29,526	28,989	45,299	57,674	56,779	70,543
8,900	11,800	9,100	17,000	24,200	21,000	26,000
15,537	17,726	19,889	28,299	33,474	35,779	44,543
9,600	10,800	12,963	14,175	16,368	17,888	21,322
5,937	6,926	6,926	14,124	17,106	17,891	23,221
1,670	1,607	1,533	1,459	1,458	1,564	1,455
—	—	—	25,000	23,000	12,000	8,000
7,607	8,533	8,459	40,583	41,564	31,455	32,676
6,000	7,000	7,000	39,125	40,000	30,000	31,000
$ 1,607	$ 1,533	$ 1,459	$ 1,458	$ 1,564	$ 1,455	$ 1,676

The Bank of Nova Scotia

Ten Year Statistical Review In thousands of dollars

Statement of Assets and Liabilities

	1965	1966	1967
Assets			
Cash resources	$ 535,438	$ 574,944	$ 603,090
Securities	533,368	541,740	593,055
Loans	2,136,766	2,428,610	2,795,932
Bank premises (net)	43,077	44,290	42,762
Other assets	83,609	91,104	103,880
Total	$3,332,258	$3,680,688	$4,138,719
Liabilities			
Deposits	$3,061,028	$3,394,221	$3,814,951
Sundry liabilities	80,821	89,026	96,351
Accumulated appropriations for losses	44,549	47,980	56,747
Debentures	—	—	15,000
Shareholders' equity	145,860	149,461	155,670
Total	$3,332,258	$3,680,688	$4,138,719

Statement of Accumulated Appropriations for Losses

	1965	1966	1967
Balance at beginning of year	$ 48,137	$ 44,549	$ 47,980
Additions (deductions) during year:			
Current year's appropriations	589	2,867	4,400
Losses on loans under (over) 5 year average	(2,025)	1,306	2,503
Profits and losses on securities	6	(3,797)	(5,411)
Other profits and losses (net)	292	55	4,775
Provision for income taxes	550	3,000	4,500
Transfer to undivided profits	(3,000)	—	(2,000)
Balance at end of year	$ 44,549	$ 47,980	$ 56,747
General appropriations	43,731	47,108	54,549
Tax paid appropriations	818	872	2,198
Total	$ 44,549	$ 47,980	$ 56,747

Statement of Rest Account

	1965	1966	1967
Balance at beginning of year	$ 109,000	$ 115,000	$ 118,000
Premium on new shares offered	—	—	—
Transferred from undivided profits and tax paid reserves	6,000	3,000	6,000
Balance at end of year	$ 115,000	$ 118,000	$ 124,000

Notes

1 For presentation purposes, certain statutory descriptions have been abbreviated.

2 In 1969 the rules with respect to the prescribed maximum level of accumulated general appropriations for losses were amended. Until the amount of accumulated general appropriations for losses is brought within the reduced prescribed level, an appropriation for losses out of earnings is not deductible in calculating income taxes payable.

1968	1969	1970	1971	1972	1973	1974
$ 857,062	$1,151,679	$1,270,360	$1,291,408	$1,886,654	$ 2,846,130	$ 3,257,625
701,775	732,117	848,741	1,016,914	1,077,295	1,031,913	1,370,772
3,487,215	3,811,753	3,956,154	4,430,070	5,121,909	5,908,304	7,968,152
45,554	50,765	56,143	61,169	64,610	70,149	88,412
125,431	197,859	238,067	285,651	391,352	471,133	777,515
$5,217,037	$5,944,173	$6,369,465	$7,085,212	$8,541,820	$10,327,629	$13,462,476
$4,853,157	$5,495,214	$5,864,009	$6,433,346	$7,718,596	$ 9,360,149	$12,112,940
107,512	179,850	189,799	266,687	348,945	433,696	732,727
79,761	85,576	89,573	94,971	94,615	95,158	96,030
15,000	15,000	15,000	40,000	89,350	118,421	117,568
161,607	168,533	211,084	250,208	290,314	320,205	403,211
$5,217,037	$5,944,173	$6,369,465	$7,085,212	$8,541,820	$10,327,629	$13,462,476

$ 56,747	$ 79,761	$ 85,576	$ 89,573	$ 94,971	$ 94,615	$ 95,158
8,900	11,800	9,100	17,000	24,200	21,000	26,000
1,619	1,832	(1,087)	(3,600)	(834)	(336)	(1,321)
3,082	(7,884)	(5,507)	17,106	(629)	(8,150)	(16,107)
313	67	1,491	(108)	7	629	700
9,100	—	—	—	(100)	(600)	(400)
—	—	—	(25,000)	(23,000)	(12,000)	(8,000)
$ 79,761	$ 85,576	$ 89,573	$ 94,971	$ 94,615	$ 95,158	$ 96,030
73,181	67,588	66,247	72,138	69,115	60,069	42,268
6,580	17,988	23,326	22,833	25,500	35,089	53,762
$ 79,761	$ 85,576	$ 89,573	$ 94,971	$ 94,615	$ 95,158	$ 96,030

$ 124,000	$ 130,000	$ 137,000	$ 175,875	$ 215,000	$ 255,000	$ 285,000
—	—	31,875	—	—	—	48,693
6,000	7,000	7,000	39,125	40,000	30,000	31,000
$ 130,000	$ 137,000	$ 175,875	$ 215,000	$ 255,000	$ 285,000	$ 364,693

Executive Officers

C.E.Ritchie
Chairman of the Board,
President and Chief Executive Officer

A.H.Crockett
Deputy Chairman of the Board

G.C.Hitchman
Deputy Chairman of the Board

J.A.G.Bell
Executive Vice-President and
Chief General Manager

R.M.MacIntosh
Executive Vice-President

W.S.McDonald
Executive Vice-President

Board of Directors

Thomas A. Boyles, Toronto
Honorary Chairman of the Board

Cedric E. Ritchie, Toronto
Chairman of the Board,
President and Chief Executive Officer

Arthur H. Crockett, Toronto
Deputy Chairman of the Board

*George C. Hitchman, Toronto
Deputy Chairman of the Board

*J.A. Gordon Bell, Toronto
Executive Vice-President and
Chief General Manager

E. Jacques Courtois, Q.C., Montreal
Vice-President, The Bank of Nova Scotia
Partner, Laing, Weldon, Courtois,
Clarkson, Parsons, Gonthier & Tétrault

Donald McInnes, Q.C., LL.D., D.C.L.,
Halifax
Vice-President, The Bank of Nova Scotia,
Senior Partner, McInnes, Cooper and
Robertson

Donald G. Willmot, Toronto
Vice-President, The Bank of Nova Scotia,
Chairman of the Board,
The Molson Companies Limited

The Honourable John B. Aird, Q.C.,
Toronto
Partner, Aird, Zimmerman & Berlis

René Amyot, Q.C., Quebec City
Senior Partner, Amyot, Lesage,
DeGrandpré, Colas, Bernard & Drolet

Lewis H.M. Ayre, St. John's,
Newfoundland
Chairman, Ayre & Sons, Limited

Albert T. Baker, Calgary
Company Director

**David W. Barr, Toronto
President, Moore Corporation, Limited

E. Kendall Cork, Toronto
Vice-President and Treasurer,
Noranda Mines Limited

Kenneth V. Cox, Saint John, N.B.
President, The New Brunswick Telephone
Company, Limited

Gerald H.D. Hobbs, Vancouver
President, Cominco Ltd.

Senator The Right Hon. The Earl of Iveagh,
Dublin, Republic of Ireland
Chairman, Arthur Guinness Son &
Company Limited

John J. Jodrey, Hantsport, N.S.
President, Minas Basin Pulp and Power
Company Limited

Charles E. MacCulloch, LL.D., Halifax
Chairman, MacCulloch & Co. Limited

Donald Maclaren, Buckingham, Quebec
Vice-President,
Maclaren Power & Paper Company

Jerry McAfee, Toronto
President and Chief Executive Officer,
Gulf Oil Canada Limited

Malcolm H.D. McAlpine, London, England
Director, Sir Robert McAlpine & Sons
Limited

H. Harrison McCain, Florenceville, N.B.
Chairman of the Board,
McCain Foods Limited

John L. McCarthy, Toronto
Vice-President,
The Canada Life Assurance Company

Allan M. McGavin, C.D., LL.D., Vancouver
Chairman of the Board,
McGavin ToastMaster Limited

William S. McGregor, Edmonton
President and Managing Director,
Numac Oil & Gas Ltd.

David E. Mitchell, Calgary
President and Chief Executive Officer,
Alberta Energy Company Ltd.

Robert L. Pierce, Q.C., Calgary
Executive Vice-President, The Alberta Gas
Trunk Line Company Limited

John S. Proctor, Toronto
Chairman, The General Accident
Assurance Company of Canada

Robert P. Purves, Winnipeg
President, Inter-Ocean Grain Company
Limited

W. Harold Rea, LL.D., F.C.A., Toronto
Chairman of the Board,
Great Canadian Oil Sands Limited

Thomas G. Rust, Vancouver
Chairman of the Board and Chief
Executive Officer, Weyerhaeuser
Canada Ltd.

Frank H. Sherman, Hamilton
President and Chief Executive Officer,
Dominion Foundries and Steel, Limited

Dr. Arthur J.R. Smith, Ottawa
President, The Conference Board
in Canada

C. Gordon Smith, LL.D., Winnipeg
President, Oldgard Limited

Ray D. Wolfe, Toronto
Chairman of the Board and Chief
Executive Officer, The Oshawa Group
Limited

* *Elected December 11, 1974*
** *Elected November 28, 1974*

Honorary Directors

Honorary Directors neither attend Meetings of the Board, nor receive remuneration.

Ralph P. Bell, O.C., O.B.E., B.A., D.C.L.,
Halifax
President, Pickard Investments Limited

John R. Bradfield, C.C., LL.D., Toronto
Honorary Chairman,
Noranda Mines Limited

†W. Herman Browne, Toronto
Chairman of the Board,
Moore Corporation, Limited

Robert L. Dales, Toronto
Former Deputy Chairman of the Board
and Executive Vice-President,
The Bank of Nova Scotia

Colonel John D. Fraser, V.D., C.D.,
Pembroke, Ontario
Vice-President,
Snelling Paper Sales Limited

C. Sydney Frost, M.C., LL.D., D.C.L.,
Toronto
Former President and Chief Executive
Officer, The Bank of Nova Scotia

†William C. Harris, Toronto
Company Director

The Honourable Salter A. Hayden,
Q.C., M.A., LL.D., Toronto
Senior Partner,
McCarthy & McCarthy

†Henry R. Jackman, O.C., K.StJ., Q.C.,
Toronto
Honorary Chairman,
The Empire Life Insurance Company

The Honourable Norman A.M.
MacKenzie, C.C., C.M.G., M.M. and BAR,
C.D., Q.C., LL.D., Vancouver
President Emeritus and Honorary
Professor International Law,
The University of British Columbia

A. Barnet Maclaren, Ottawa
Director, Maclaren Power & Paper
Company

Cyrus H. McLean, Vancouver
Former President and Chairman of the
Board,
British Columbia Telephone Company

Sir Brian E.S. Mountain, Bt., London, Eng.
President,
Eagle Star Insurance Company Ltd.

William H.C. Schwartz, Halifax
Chairman of the Board,
W.H. Schwartz & Sons Ltd.

Charles N. Wilson, Saint John, N.B.
President,
The Standard Dredging Co. Limited

†*Retired from Board of Directors,*
November 28, 1974

Corporate Administration Toronto

General Managers
G.D.Bacque
W.E.Bailey
F.H.Burtt
B.A.Ennis
R.G.Gage
F.M.Goddard
G.F.Inkpen
W.B.Lawson
W.P.Meinig
R.E.Peel
L.R.Woolsey
H.R.Younker

Branch Operations
B.D.Hyde,*Supervisor*

Cash Loss Control
N.G.Scott,*Supervisor*

Chargex
W.B.Lawson,*General Manager*
D.F.MacDonald,*Assistant General Manager*
W.B.Haig,*Supervisor*
M.H.Hallin,*Supervisor*
D.A.Lee,*Supervisor*
D.W.Ritcey,*Supervisor*

Chief Accountant
R.L.Brooks

Chief Audit Officers
J.S.Humphreys
T.A.Drummond

Chief Inspector
D.R.MacFarlane

Comptroller
B.J.Hurst

Consumer Credit
W.B.Lawson,*General Manager*
H.E.Hames,*Supervisor*
H.M.Kinsman,*Supervisor*
J.P.Lago,*Supervisor*
C.J.Macdonald,*Supervisor*
R.J.Pue,*Supervisor*
J.P.Sweeney,*Supervisor*

Corporate Accounts Development
L.B.Wellner,*Assistant General Manager*

Corporate Credit
R.G.Gage,*General Manager*
B.A.Ennis,*General Manager*
G.F.Inkpen,*General Manager*
J.W.Chisholm,*Assistant General Manager*
J.O.McCabe,*Assistant General Manager*
B.W.Morin,*Assistant General Manager*
J.E.Radford,*Assistant General Manager*
L.A.Thurston,*Assistant General Manager*
R.B.Wilson,*Assistant General Manager*
R.N.Benson,*Supervisor*
R.E.Howard,*Supervisor*
A.W.Jeffery,*Supervisor*
R.C.Kensett,*Supervisor*
G.W.Lake,*Supervisor*
J.M.Lauzon,*Supervisor*
R.C.McLeod,*Supervisor*
W.B.McMillan,*Supervisor*
C.A.L.Muschett,*Supervisor*
A.B.Selwood,*Supervisor*
G.R.Turner,*Supervisor*

Corporate Customer Services
J.T.Purdy,*Assistant General Manager*

Corporate Planning & Research
Miss L.L.Cannon,*Supervisor*

Cost Development and Analysis
A.S.Nemetz, *Manager*

Economic Advisor
F.L.Rogers

Economics
G.Holt,*Supervisor*

Executive Assistant to the President
C.W.Jameson

Executive Management Task Force
M.N.Logan, *Director*
D.N.Hart, *Supervisor*
J.G.McArdle,*Supervisor*

General Office and Regional Office Operations
B.E.Falle,*Supervisor*

Investments
R.L.Mason,*Assistant General Manager*
D.F.Cooper,*Supervisor*
J.O.Kiervin,*Supervisor*
M.B.MacDiarmid,*Supervisor*
G.R.Watson,*Supervisor*
R.E.Waugh,*Supervisor*

Management Information Services
R.M.Taylor,*Administrator*

Marketing
L.R.Woolsey,*General Manager*
G.C.Alexander,*Supervisor*
H.A.McCarthy,*Supervisor*
E.R.McCrimmon,*Supervisor*
R.O.Petersen,*Supervisor*
J.F.Sherlock,*Supervisor*

Mortgages
A.C.MacLellan,*Assistant General Manager*
E.W.Laffin,*Supervisor*
R.L.McCormack,*Supervisor*
E.C.Oatt,*Supervisor*
D.L.Stevenson,*Supervisor*

Personnel
F.M.Goddard,*General Manager*
A.J.Bates,*Director*
R.M.Brown,*Assistant General Manager*
A.C.Giles,*Supervisor*
W.J.Lomax,*Supervisor*
J.B.Macdonald,*Supervisor*
D.W.Whitaker,*Supervisor*

Protection and Investigation
C.Angus,*Chief*

Purchasing
M.E.Gale,*Manager*

Real Estate, Property Management and Architectural Services
F.H.Burtt,*General Manager*
J.E.McFadyen,*Supervisor*
J.V.Montgomery,*Supervisor*
H.Sagara,*Supervisor*
G.M.Redpath,*Chief Architect*

Real Estate Development
G.D.Bacque,*General Manager*

Scotia Farm Services
G.E.Chamberlain,*Director*

Secretary
W.H.Milne

Subsidiary Companies, Administration
C.D.Bourns, *Administrator*

Systems
W.P.Meinig,*General Manager*
J.F.M.Crean,*Director*
R.S.M.MacNeish,*Director*
R.W.Sydia,*Director*
R.M.B.Johnston,*Supervisor*
F.X.Napolis,*Supervisor*
D.W.Reed,*Supervisor*
R.E.Sorenson,*Supervisor*
M.A.Taylor,*Supervisor*
A.E.Wheeler,*Supervisor*

Taxation
A.B.McKie,*Director*
D.L.Burn,*Supervisor*
W.V.McNally,*Supervisor*

Regional and Branch Offices

Newfoundland

291-293 Water Street, St.John's
G.M.Morrell, *General Manager*

R.M.Haynes, *Supervisor*

Branch/Manager
Arnold's Cove/W.G.Lidstone
Baie Verte/J.L.Penney
Bay Roberts/J.D.Anderson
Bonavista/F.D.Parsons
Burgeo/M.H.Gosse
Burin/S.E.Head
Carbonear/R.R.C.Quinn
Catalina/H.B.Maidment
Channel—Port aux Basques/C.Pink
Clarenville/E.J.Baker, D.Newhook, Asst.
Clarke's Beach/L. Williams
Corner Brook/R.R.Shepherd
 Corner Brook Plaza/D.L.Butt
Dark Cove, Bonavista Bay/D.King
Flower's Cove/J.T.Furey
Fogo/C.G.Rowsell
Fortune/L.C.Bonnell
Gander/R.W.MacDonald
Glovertown/S.V.Butt
Grand Bank/R.M.Hepditch
Grand Falls/M.P.Murphy
Happy Valley, Labrador/D.M.Gosse
Harbour Grace/B.Oldford
Labrador City, Carol Lake Shopping Centre/S.J.Mayo
La Scie/Sub. to Baie Verte
Lewisporte/W.N.Upshall
Manuels, Long Pond/R.G.Hiscock
Marystown/F.P.Follett
Mount Pearl Shopping Centre, Mount Pearl/G.E.Skinner
Old Perlican/D.F.J.Murphy
Port de Grave/Sub.to Bay Roberts
Ramea/Sub.to Burgeo
Roberts Arm/Sub.to Springdale
St. Anthony/R.E.Janes
St. John's Data Centre/G.E.Holmes
St. John's:
 291-293 Water Street/J.B.King L.E.Brown, Sr.Asst., W.D.Connolly, Asst. M.P.Dillon, Asst.
 Avalon Mall Shopping Centre/R.S.Dwyer
 Churchill Park/D.Templeman, W.G.Martin, Asst.
 Cornwall & Hamilton/R.Howell
 Duckworth & Cockrane/C.W.Herridge
 Elizabeth Avenue East/J.B.Monster
 Freshwater & Parade/J.G.Saunders
 The Gould's, St.John's South/Sub. to St.John's
 Topsail Road/N.J.Eady
 Water Street East/G.A.Holwell
St. Lawrence/H.K.Follett
Springdale/N.Inkpen
Stephenville/W.J.P.Learning
Summerford, New World Island/Sub. to Lewisporte
Twillingate/L.G.Forsey
Upper Island Cove/Sub.to Harbour Grace
Valleyfield—Badger's Quay/Sub.to Wesleyville
Wabana/J.Crane
Wesleyville/K.W.Parsons

Nova Scotia

1709 Hollis Street, Halifax
J.S.Keith, *General Manager*

Supervisors
R.D.Fischer
J.E.Mitchell

Branch/Manager
Amherst/W.D.Morrison
 Cumberland Mall, Amherst/Sub.to Amherst
Annapolis Royal/G.C.Whitman
Antigonish/L.J.Palmer
Aylesford/G.W.Walsh
Bedford/L.A.Cameron
Bridgetown/E.W.Young
Bridgewater/W D.Ross
Caledonia/J.A.Steele
Canning/M.R.Lowe
Chester/D.A.MacKenzie
Dartmouth/G.L.Sanford, R.P.Flinn, Asst.
 Bridge Branch/A.E.Rennie
 Micmac Mall/Y.G.Morse
 Victoria Road & Primrose Street/C.K.Morgan
 Woodlawn-Westphal/W.V.Simpson
Digby/P.T.Fletcher
Freeport/J.G.Harrison
Glace Bay/H.R.S.Ellis
Halifax Data Centre/W.D.Hill, W.G.Garnish, Asst.
Halifax:
 1709 Hollis Street/E.D.MacNevin, H.Reimer, Sr.Asst., K.N.Clark, Asst., R.W.Jeffery, Asst., C.S.Woods, Asst.
 1537 Barrington Street/G.F.Williams
 Coburg & Robie/D.M.Murray, S.I.M.Cotton, Sr.Asst., J.R.Featherby, Asst.
 North & Agricola/T.M.Smith, T.I.Betts, Asst.
 North West Arm/C.A.McIver
 Nova Scotian Hotel/F.S Boone
 Quinpool Rd./R.T.Poole
 Scotia Square/J.P.Morse, G.A.Foster, Sr. Asst., D.G.Greene, Asst.
 Spring Garden Road & Brenton/R.W.Chandler
Hantsport/M.L.Steeves
Hubbards/M.R.Quigley
Ingonish Beach/F.C.McMillan
Kennetcook/M.D.LeBlanc
Kentville/R.C.DeGrasse
Liverpool/S.M.MacDonald
Meteghan/J.B.Poirier
Middleton/A.W.Beal
New Glasgow:
 102 Provost St./R.A.Hennigar, W.A.McDonald, Asst.
 Aberdeen Mall/R.W.Whiting
 West Side Shopping Centre/C.E.Allport
New Minas/R.C.Sabean
New Waterford/D.L.Sullivan
North Sydney/J.E.Quinn
Oxford/H.C.H.Wallace
Pictou/R.L.Marshall
Port Hawkesbury/G.W.Piercy
Pugwash/B.K.Lenihan
River Hebert/P.B.Ternan
River John/H.A.W.Livingston
Sackville/C.V.White
Sheet Harbour/D.G.MacGregor
Stellarton/A.W.Stewart
Sydney/A.F.Ryan, B.E.Trask, Asst.
 Sydney, Shopping Centre/K.T.Haley
SydneyMines/D.R.Sutherland
Tatamagouche/J.A.Fraser
Tiverton/Sub.to Freeport

Trenton/C.A.Earle
Truro/P.J.Lord,M.L.Nicholson,Asst.
Truro Centre,Truro/Sub.to Truro
West End/L.D.Rhyno
Westport/Sub.to Freeport
Westville/G.C.MacDonald
Windsor/R.N.Roop
Yarmouth/O.K.Gilleshammer, R.R.Langille,Asst.

Prince Edward Island and New Brunswick
119-125 Prince William Street,
Saint John,N.B.
D.M.Bell,*General Manager*

Supervisors
M.A.Colpitts
K.M.Winsor

Prince Edward Island
Branch/Manager
Albany/C.H.MacDonald
Charlottetown/B.P.Kennedy, D.A.Bennett,Asst.
Crapaud/B.J.M.Sullivan
Kensington/R.G.Kirkpatrick
Montague/W.B.Devereaux
Morell/E.A.MacIntyre
O'Leary/J.G.Lord
Sherwood/K.J.Langille
Summerside/F.D.A.Sabean, D.D.McKillop,Asst.
Summerside Mall/R.B.Jones

New Brunswick
Branch/Manager
Albert/E.W.Tracy
Alma/Sub.to Albert (June to Sept.)
Bath/R.S.McPhee
Bathurst/E.S.Whiteway
Black's Harbour/R.A.Alward
Campbellton/D.E.Martin
Chatham/R.M.Gorman
Chipman/F.T.O'Brien
Doaktown/P.W.McEachern
Edmundston/J.R.Daigle
Florenceville/E.E.Hierlihy
Fredericton/H.E.J.Joyce,R.D.McLean,Sr. Asst.,E.J.Phinney,Asst.
Devon Park Shopping Centre/T.R.Henry
Smythe & Dundonald Streets/E.J.Salterio
Gagetown/G.R.Hooper
Grand Falls/E.J.LeBlanc
Grand Manan/F.L.Nelson
Hampton/W.G.Chisholm
Havelock/H.E.Leahy
Hillsborough/G.R.Forsythe
Jacquet River/D.E.Brown
McAdam/J.D.Bennett
Minto/H.T.Greenough
Moncton:
760 Main Street/L.W.Riley, L.J.LeBlanc,Asst.
323 St George St./M.A.Palmer
C.N.Hotel Service Centre/ Sub.to Moncton
Mountain Rd.& Winnipeg St./D.F.Sarty
Nashwaaksis/A.W.Lynch
Newcastle/R.G.Burgess
Oromocto/E.J.Cogan
Perth-Andover/P.A.P.Cooper
Petitcodiac/J.H.Munro
Port Elgin/W.R.Doncaster
Rothesay/M.G.Patterson
St. Andrews/R.P.Bishop
St.George/A.G.Butler
Saint John Data Centre/J.W.Culliton
Saint John:
119-125 Prince William St./G.M.Blakney, D.H.Thompson,Sr.Asst.,R.V.Whitney, Asst.
Charlotte Street/R.A.Richardson, R.B.Farwell,Sr.Asst.,R.B.Chadwick,Asst.
Haymarket Square/W.H.Bate
Lancaster/G.W.Robinson
North End/C.B.McMackin
Westmoreland & McAllister/D.H.MacPhee
West Saint John/W.F.Campbell
St.Stephen/E.E.Caldwell
Sackville/D.C.Rogers
Shippegan/P.J.Aucoin
Sussex/J.E.Hooper
Wilson's Beach,Campobello Island/ L.T.Locke
Woodstock/N.E.Chase

Quebec
St.James & Victoria Square,Montreal:
A.Bisson,*General Manager*

Assistant General Managers
J.B.McCaig
W.P.Penney

Supervisors
C.Bartlett
J.A.Carbonneau
A.N.Clarkson
R.L.Hayday
J.V.Roy
E.P.Saulnier

Branch/Manager
Alma,33 Sacre Coeur St./C.R.Paquette
Bonaventure/R.Cote
Boucherville/R.C.Marion
Brownsburg/R.Bourgon
Buckingham/J.G.R.Boulais
Campbell's Bay/E.P.Herault
Chicoutimi/J.R.Tremblay
Drummondville/J.G.Tessier
Duvernay (City of Laval)/G.A.Castonguay
Fort Coulonge/R.Noel
Gatineau/F.A.Plouffe
Giffard,Les Galeries Ste.Anne/E.J.Dumais
Granby—Les Galeries de Granby/G.Blouin
Grenville/J.A.Hocquard
Hauterive/J.H.R.Lajoie
Hull/G.P.Moore,C.G.Dorval,Asst.
Galeries Hull/R.J.Pellerin
Lachine, Provost St. & 25th Ave./ J.D.J.Fraser
Lachute/J.E.Begbie
La Salle,9166 Airlie St./R.A.Ward
Le Cavalier Shopping Centre/R.J.Lavigne
Laval,Laval Shopping Centre (Chomedey)/E.A.Roussy
Levis—Les Galeries Chagnon/ J.M.R.L'Ecuyer
Longueuil/R.Lessard
Maniwaki/S.A.Villeneuve
Montreal Data Centre/B.A.Daniels, R.H.Bowmans,Sr.Asst.,W.M.Swindells, Asst.
Montreal:
St.James & Victoria Sq./J.H.Strong, G.L.Fanning,Deputy Mgr.,Y.Lessard, Sr.Asst.,T.M.Pitcher,Asst.,C.D. Williams,Asst.
Cote des Neiges & Appleton/D.P.Harvey
Cote des Neiges & Queen Mary/ P.Levesque
Cote St.Luc & Westminster/J.W.Mountain
Cote de Liesse Rd.&Graveline St. (St.Laurent)/R.P.Gauthier
Decarie & Ferrier/A.V.Henderson, P.T.Moore,Asst.
Dorchester & University/J.E.Gray P.R.Lyon,Sr.Asst.,W.Carson,Asst.
Lagauchetiere & Mansfield/N.Lemieux
Laurentian Blvd.& Church St. (St.Laurent)/P.A.Mayer
Laurentian & Gouin Blvd./D.Gauthier
Louvain & Meilleur Streets/G.A.Bradbury
Masson & 4th Avenue/P.A.St.Germain
Mount Royal Avenue & St. Urbain/ H.E.Richardson
Ontario St. & Aylwin/J.F.M.Renaud
Park & Fairmount Avenue/R.B.Williams
Decarie & Isabella/A.J.Mancini
St.Catherine & Peel/F. Montpellier, R.Garneau,Sr.Asst.,E.A.Galichewsky, Asst.
505 St.Catherine St.W. (Phillips Square)/ J.H.MacEwen,D.B.Hall,Sr.Asst., R.Gregoire,Asst.
St. Lawrence & Louvain/J.G.A.Drew, D.A.Rowat,Sr.Asst.,H.J.Bissinger,Asst.
St.Lawrence & Jean Talon/F.J.Lejeune, W.C.Coish,Asst.
St. Lawrence & Ontario/J.A.R.Saumure
St. Lawrence & Prince Arthur/W.J.Scheid
7740 St.Michel Boulevard/A.Nadeau
St.Viateur & Casgrain/E.White
Sherbrooke & Guy/K.W.Wendt
Sherbrooke & Harvard/M.C.Hansen
Sherbrooke Street East & Langelier Boulevard/J.C.R.Sauvageau
Sherbrooke & Union/J.K.Harris
2020 University Street/G.M.Beaulieu, F.J.Ferlaino,Asst.
Van Horne & Victoria/J.R.Devereau
Mount Royal,Cote de Liesse & Lucerne/ F.T.A.Manzer
Murdochville/D.Dore
New Carlisle/F.B.Bertrand
New Richmond/D.L.Dorey
Paspebiac/J.H.Vignet
Pointe Claire/E.W.Widdifield
Port Daniel Station/Miss J.L.Assels
Portneuf/J.R.Pilon
Quebec, 2 Place Quebec/G.M.Hebert, E.J.A.Lamothe,Sr.Asst.,F.Gagnon,Asst.
St.Malo/R.Gratton
124 St.Peter Street/J.P.Jobin
St.Roch/W.I.Beauchamp,M.A.LeFur,Asst.
Rock Forest, Rock Forest Shopping Centre/ J.R.J.Turmel
Ste.Marie de Beauce/P.P.Gosset
Ste.Foy/R.P.Boucher
Place des Quatre Bourgeois/M.A.Moore
St.Andre,Est/R.F.Boyer
St.Leonard,4663Blvd.Des.Grandes Prairies/ G.M.Latour
St.Raymond/M.R.Jean
Ste.Therese,Desjardins Blvd. & Turgeon St./ R.E.Pigeon
Sept Iles,780Laure Blvd./G.DesRuisseaux
Sherbrooke/J.R.R.St.Louis
Tracy,831 Marie Victorin/M.J.A.Hogue
Trois Rivieres/G.Giroux
Valleyfield/P.A.Boulais
Verdun—4002 Wellington Street/J.J.Gaulin
Westmount:
St.Catherine & Atwater/L.B.Clark
Sherbrooke & Greene Ave./G.C.Dalzell

Ontario

Metropolitan Toronto
44 King Street West, Toronto

J.F.McRae, *General Manager*

Assistant General Manager and Manager Toronto Branch
W.F.Ellis

Assistant General Managers
P.A.Enman
C.B.Spencer

Supervisors
W.D.Armstrong
T.G.Crossman
W.R.Donnachie
B.S.Eddy
S.B.Fielder
J.S.Tate
G.W.Van Dyk
W.J.Wedel

Western and Northern Ontario
44 King Street West, Toronto

A.MacLean, *General Manager*

W.L.Langille, *Assistant General Manager*

Supervisors
T.C.Kingston
P.L.Kinsman
R.MacKay
J.D.Robson
G.C.Roy
T.A.J.Sale
J.L.Walters

Eastern Ontario
44 King Street West, Toronto

G.E.Marshall, *General Manager*

Supervisors
L.B.Babcock
E.F.Forcey
E.A.J.Ward

Branch/Manager
Acton/G.W.Schultz
Ajax/R.I.Kerr
Alexandria/I.A.Desjardins
Alliston/J.H.Fudge
Angus/D.H.Inglis
Apple Hill/Sub.to Maxville
Arnprior/A.M.Jamieson
Aurora/J.E.G.Smith
Avonmore/J.E.B.Stewart
Azilda/R.L.Lafreniere
Balmertown/B.N.Cheney
Bancroft/L.R.Hanley
Barrie/D.R.Chittick, G.B.Zolob, Asst.
Georgian Mall/M.W.Matz
Beachburg/R.G.Saunders
Beardmore/S.Mayeske
Belleville/D.R.Tripp
Quinte Mall/K.A.Sager
Bells Corners/D.W.Boyce
Belmont/W.D.Robertson
Blind River/M.C.Phaneuf
Bolton, Hilltop Plaza/G.C.Osborne
Bracebridge/W.W.Wells
Bramalea, 36 Avondale Boulevard/ H.R.G.Janes
Bramalea City Centre/F.W.Johnston
Southgate Shopping Centre/H.H.Hendriks
Brampton/J.W.Hudson, H.E.A.Steurer, Asst.
Peel Village Square/A.C.McDougall
Brantford/M.J.B.Hartman, R.A.Adamo, Asst.
King George Rd.& Norman Ave./ F.J.Weaver
Brigden/W.R.Dunnell
Brockville/L.E.Bildson
Burlington/M.G.Uniac
New Street & Walker's Line/E.D.Lefebvre
Skyway Plaza, Burlington/J.MacKay
Caledonia/W.J.Ogden
Cambridge/J.P.Readman, V.B.Maxwell, Sr.Asst., H.D.Keeling, Asst.
Christopher & Champlain/R.D.Crump
Highway 24 & Lang's Drive/L.B.Wherry
753 King St./W.J.Babstock
Campbellville/Sub.to Milton
Carleton Place/L.G.Follett
Carp/R.G.Gamble
Chalk River/Sub.to Deep River
Chatham/A.E.Pilson, R.R.Devlin, Asst.
Queen & Eugenie/J.A.Laithwaite
Chelmsford/A.J.Rheault
Chesterville/H.B.Montgomery
City View/W.D.Bright
Clarkson/See Mississauga
Cobden/J.T.Mains
Cobourg/S.G.McGregor
Cochrane/D.A.Shoemaker
Collingwood/D.R.Brown
Concord, Highway 7 & Keele St./L.E.Wales
Consecon/Sub.to Trenton
Cornwall, 14 Second Street West/E.J.Leblanc
Brookdale Shopping Plaza/H.W.Stead
Deep River/H.W.Orr
Dorset/Sub.to Huntsville
Dowling/Sub.to Chelmsford
Dundas, University Plaza/A.Brodie
Earlton/H.Y.Gaudette
Exeter/F.J.Smith
Fergus/C.L.Slipp
Fort Erie/D.L.Dundas
Georgetown/R.C.McQuaig
Glen Robertson/Sub.to Alexandria
Goderich/D.E.White
Gravenhurst/L.H.Herbold
Guelph/R.P.DiCola, B.J.Sheahan, Asst.
Speedvale Ave.& Stevenson St./ W.V.Hinds
Haileybury/C.E.Hancock
Hamilton, 12-14 King Street East/ R.T.Williams, W.Randerson, Sr.Asst., R.G.Durham, Asst.
James & Burlington/R.J.MacIntosh
James & Fennell/R.B.Vrooman
King St.& Sherman Ave./J.R.Kelly
Main & Broadway/D.H.Larocque
Main & Kenilworth/P.J.C.Nornabell
Ottawa & Barton/J.J.Hallworth
Parkdale Branch/V.H.Beal
Queenston & Nash Roads/D.G.Brims
Upper Ottawa & Fennel/L.L.Mapplebeck
Upper Wellington & Mohawk/J.R.Rennie
Hawkesbury/A.A.Dagenais
Hearst/R.L.Lapierre
Honey Harbour/Sub.to Midland
Huntsville/A.R.Adam
Kanata/T.Cunningham
Kapuskasing/W.D.Brockenshire
Kemptville/D.E.Humble
Kenmore/Sub.to Russell
Kenora/J.B.Hugens
Kingston:
165-167 Wellington Street/B.A.Cosman, R.P.DeCaire, Asst.
Bagot & Queen/C.G.Phinney
523 Gardiners Rd./N.J.Sulpher
West End/J.C.Chappelle
Kitchener:
54-68 King Street West/W.T.Cockwell, J.M.Thomson, Sr.Asst., R.J.Vickery, Asst.
King & Sheldon/W.A.Atkinson
Krug and Sherwood/D.M.Flinn
Courtland & Shelley/A.D.Lapierre
St.Jerome's High School/Sub.to Kitchener
Lanark/K.G.Watson
Leamington/E.W.Atherton
Lindsay/D.J.Krock
Linwood/D.J.Heit
London:
420-424 Richmond Street/W.B.Burbidge, H.W.Metcalfe, Asst., G.D.Napier, Asst.
Dundas & Lyle/W.A.Hinchey
Dundas & Paterson/H.F.McShane
Hamilton Road & Highbury Ave./ T.F.Mesman
Huron Street & Highbury Ave./H.J.Sirna
Richmond & Oxford/R.C.Cattanach
Southcrest Shopping Centre/J.A.McGee
Westown Plaza/J.H.Steele
Markham/T.R.Gardham, D.Hull, Asst.
Denison Street and Don Mills Road/ W.J.Anderson
Martintown/G.P.Lloyd
Mattawa/L.M.Roberge
Maxville/D.M.Nevin
Maynooth/Sub.to Bancroft
Midland/M.L.Heppler
Milton/L.T.Gauthier
Milverton/D.A.A.Post
Mimico/See Metropolitan Toronto
Mississauga:
Applewood Acres/D.R.Dillabough
Dixie & Bloor/G.F.McKeown
5200 Dixie Road/R.L.Neate
Dundas & Little John Lane/M.B.Groves
Dundas Street E.& Wharton Way/ A.J.Fisher
1791 Lakeshore Rd.West (Clarkson)/ L.J.Regan
Malton Branch/D.E.F.Marlatt, R.R.A.Martin, Asst.
Meadowvale South/D.A.MacLennan
Sheridan Mall (Clarkson)/G.T.Tweedy
Moonbeam/Sub.to Kapuskasing
Morewood/Sub.to Chesterville
Morrisburg/R.Hall
Mount Dennis/See Metropolitan Toronto
New Liskeard/N.J.Brackenridge, R.P.Gosselin, Asst.
Newmarket/R.T.Eady
Niagara Falls/T.A.Cameron
North Augusta/L.A.Lamer
North Bay/W.E.Wood, W.M.Davis, Asst.
Fisher & Northgate/G.G.Allaire
Nipissing Plaza (formerly "West Ferris")/ H.L.Bridges
Oak Ridges/T.G.Murray
Oakville/P.J.Parrott
Iroquois Shore Road & 8th Line/ S.A.Williamsen
Third Line & Speers Road/A.W.Piercy
Orangeville/D.E.MacPherson
Orillia, 56 Mississaga St./W.A.Swinimer
Osgoode/L.B.Cobus
Oshawa, Main Branch/W.J.Sendall
King & Drew Sts./B.H.Loucks
Midtown Mall, 200 John St.W./ R.N.Woods

Ottawa Data Centre/M.A.Bruce,
D.F.Boyce,Asst.
Ottawa:
125-131 Sparks Street/W.H.McMillan,
D.R.Cork,Sr.Asst.,D.W.Aikman,Asst.
B.O.Latourell,Asst.
Bank & Alta Vista Dr./H.K.Snow
Bank & Fourth/J.D.Stephens
Bank & Gladstone/N.E.Matthew
M.V.Langille,Asst.
Bank & Gloucester/G.J.R.Fournier,
T.F.Lodge,Asst.
Baseline & Pinecrest Rds./D.E.Osborne
Bronson & Holmwood/
Miss G.A.Marcellus
Carleton University/J.E.Rising
Carling & Kirkwood/D.A.Bailey
Carling & Parkdale/R.J.Lahey
Carling and Woodroffe/W.K.MacVicar,
S.T.Eckford,Asst.
City Hall/Sub.to Ottawa
Elgin & Frank/D.S.Dunster,
W.W.Morris,Asst.
Metcalfe & Albert/E.W.Osborne,
J.M.Lawlor,Asst.
Ottawa East/B.D.Gilmer
1145 Bank St.at Glen Ave.,Ottawa South/
W.G.Hutton
Place de Ville/E.G.Sinclair
Preston & Norman/R.J.Finigan
Rideau & William/E.G.Scott,
A.H.W.Blunden,Asst.
Riverside Mall/R.M.Smith
St.Laurent & Cyrville/R.H.Morin
Somerset & Bronson/J.F.Farnsworth
Wellington & Rosemount/C.W.Buell
Westboro/G.S.Smith
Owen Sound/R.W.Archer
Pamour/Sub.to Timmins
Parry Sound/D.M.Wilkins
Pembroke/K.J.Macdonald,
G.L.Barkey,Asst.
Penetanguishene/G.J.Rich
Perth/W.E. Luther
Peterborough/D.A.Crawford,
R.J.McIntosh,Asst.
Charlotte & Park Sts./R.A.Carkner
Westgate Plaza/G.M.Goodfellow
Petrolia/P.L.Stephens
Pickering,Sheridan Mall/W.D.Pickering
Picton/W.C.C.Silver
Port Carling/F. Pluim
Port Colborne/R.C.MacDermaid
Port Credit/W.J.Abbott
Port Dover/J.S.McIntyre
Port Hope/D.M.Deighton
Powassan/E.M.McDonald
Red Lake/B.N.Cheney
Renfrew/D.C.Whyte
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Richmond/W.L.T.Reid
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K-Mart Shopping Centre/W.E.Walker
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Northgate Shopping Centre/A.F.VanLoon
Sault Ste.Marie,Station Mall/D.R.Chase
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Sherman Mine Site/Sub.to Temagami
Simcoe/J.A.Neily
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Spanish/C.G.Noel
Stoney Creek,Barton & Greens Road/
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Stouffville/P.C.Roney
Stratford/A.P.Price
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Sutton West/J.H.Lydford
Temagami/R.D.J.Massicotte
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Agincourt/W. Sheremeta
Bonis & Birchmount/Sub.to Agincourt
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F.A.Ney
Albion Rd.900 (Rexdale)/Sub.to Rexdale
Applewood Acres/See Mississauga
Bathurst Street & Dewlane Drive
(Willowdale)/J.W.Adams
Bathurst & Dundas/A.A.Bell
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Bloor & Church/M.W.Laidlaw
Bloor & Jane/L.J.Hurst
Bloor & Keele/R.de Vries
Bloor & Salem/R.E. Campbell
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Bloor & Spadina/E.Ranft,
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B.J.Webb,Asst.
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C.W.Andrew,Asst.
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Brown's Line & Burlingame Road/
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Cedarbrae Plaza, Scarborough/
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Cloverdale Shopping Centre/
B.M.Glassford
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A.C.Allen,Asst.
College & Grace/A.S.Foti
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Skyline Hotel (Rexdale)/B.G.McCarthy
Crescent Town,Victoria Park Ave./
R.Couperus
Danforth & Coxwell/R.J.G.Lanthier
Danforth,at Danforth Road,Scarborough/
D.J.Clemence
Danforth & Main/J.H.Scott
Danforth & Greenwood/H.P.Stewart
Danforth & Pape Aves./E.E.Antler
Danforth & Woodbine/W.J.Offord
Dixie & Bloor, see Mississauga
Don Mills/S.P.Hunter,
P.G.Robichaud,Asst.
Flemingdon Park, Don Mills/D.A.MacKay
15 Gervais Dr.at Wynford, Don Mills/
K.J.Van Riesen
O.H.A.Building,150 Ferrand Drive/Sub.
to Flemindon Park
Prince Hotel, Don Mills/R.J.Murphy
Dufferin St.&Castlefield Ave./D.W.Carr
Dundas & Brock/R.P.Hawley
Dundas & Little John Lane/See
Mississauga
Dundas & Pacific/R.J.Senyshen
Dundas Street & WhartonWay/See
Mississauga
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Eglinton & Castle Knock/G.A.MacLeod
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Eglinton & Pharmacy,Scarborough/
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Union & Moore/R.R.Kleinschmidt
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Welland/G.E.Chipman
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163rd Street & 95th Avenue/R.R.Dittrich
111th Avenue & 95th Street/B.C.Wills
118th Avenue & 81st Street/
V.G.Ratchinsky
118th Avenue & 90th Street/
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10247-97th Street/C.L.Coolen
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Pemberton/M.K.Lutsiak

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Spruceland Shopping Centre/N.E.Stewart
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Pender & Thurlow/D.W.Ramage
Robson & Bute/J.D.F.Sutton
10th Ave.& Langley St.(Burnaby)/ J.Kristapuk
3855 Sunset Ave.(Burnaby)/Sub.to Kingsway & Nelson
23rd Ave.& Oak/J.F.G.Taylor
41st Avenue & Churchill Street/ R.A.McIntosh
49th Avenue & Elliott Street,Killarney Square Shopping Plaza/L.C.Lavery
49th Avenue & Fraser/F.D.McNaughton
Vancouver Heights/M.A.Milaney
West Vancouver/O.M.Goldby
Vernon/S.F.Mellema
Victoria, 702 Yates Street/J.R.Murray
D.C.McArthur,Sr.Asst.
I.G.McGillivray,Asst.
Douglas & Courtney/Mrs.J.M.Robson
Douglas & Hillside/D.J.H.Gibbens, R.N.L.Peacey,Asst.
Hillside Shopping Centre/P.N.Enns
Oak Bay Ave.& Hampshire Rd./ J.B.Murray
Shelbourne & Cedar Hill Cross Rds./ A.G.Ploss
Whalley/W.R.Harold
White Rock/K.G.Scott
Williams Lake/D.L.Steine

Northwest Territories
Branch/Manager
Yellowknife/J.B.Mason

Yukon Territory
Branch/Manager
Whitehorse/S.H.Marinoske

International

W.S.McDonald, Executive Vice-President

General Administration
44 King Street West, Toronto

W.H.Kent, *General Manager*

Assistant General Managers
E.G.Bernard
P.S.Dodd
J.G.Nixon
W.P.Sutton

Supervisors
D.M.Brierley
J.E.Seabrook
W.J.Switzer

Western Hemisphere International Regional Office
44 King Street West, Toronto
P.C.Godsoe, General Manager

Assistant General Managers
R.Cooke
L.L.Fox
F.W.Irvine
K.W.London

Supervisors
J.H.Elliott
S.W.Jordan
H.G.McGinn

Chief Traders
T.A.Healy, Money Market
E.E.Keith, Gold
H.R.Wong, Foreign Exchange

United States

Agencies
New York:
67 Wall Street, New York, N.Y. 10005
E.D.Hunter, *Assistant General Manager & Senior Agent*

Agents
B.R.Birmingham
T.M.B.Welsh

Senior Assistant Agents
S.D.N.Belcher
D.G.Friars
C.J.Goodman
D.A.Randall

A.J.Ferrer, *Chief Trader, Foreign Exchange*

San Francisco:
315 California Street, San Francisco, California 94104
W.G.Grant, *Agent*
B.P.S.Gray, *Assistant Agent*
M.L.LaFrance, *Assistant Agent*

Representative Offices
Chicago:
141 W.Jackson Blvd., Chicago, Illinois 60604
R.J.Kelly, *Senior Representative*

Representatives
A.D.Payzant
L.H.Van Ongevalle

Houston:
2430 Two Shell Plaza, Houston, Texas 77002
D.R.German, *Senior Representative*
G.McCrae, *Representative*
H.L.Waszkowski Jr., *Sr. Oil and Gas Consultant*

Los Angeles:
Pacific Mutual Building,
523 West 6th Street, Los Angeles, Cal. 90014
L.W.Ritchie, *Senior Representative*

New York:
67 Wall Street, New York, N.Y. 10005
J.W.Cameron, *Senior Representative*

Representatives
W.G.Bagshaw
P.W.McClean
J.A.Monte

San Francisco:
315 California Street, San Francisco, California 94104
W.E.Green, *Assistant Agent*

Latin America
E.D.Felsenstein, *Senior Special Representative*
Apartado Postal M8191,
Mexico 1, DF Mexico

Argentina
Corrientes 456, P.O. Box 3955,
Buenos Aires, Argentina
R.D.Scott, *Special Representative*

Brazil
Av Almirante Barroso 63,
140 Andar G.R.1417
Caixa Postal 2831, ZC-00,
Rio de Janeiro, G.B. Brazil
S.M.Furman, *Special Representative*

Mexico
Apartado Postal M8191,
Mexico 1, DF Mexico
M.E.F.Coppens, *Special Representative*

Branch
Panama:
P.O.Box 7621, Panama 5,
Republic of Panama
E.A.Mowatt, *Manager*
Miss M.Gonzales D., *Assistant*

Wholly-Owned Subsidiaries

The Bank of Nova Scotia International Limited
P.O.Box N 7545, Nassau, Bahamas
W.S.McDonald, *President*

Directors
V.S.Einarson
P.C.Godsoe
D.L.Lindsay
R.Marsman
W.S.McDonald
J.S.Roberts
A.M.Goldie, *Managing Director*

The Bank of Nova Scotia International (Curacao) N.V.
c/o Maduro and Curiel's Trust Company N.V.

Managing Directors
A.M.Goldie
Maduro and Curiel's Trust Company N.V.
J.S.Roberts

The Bank of Nova Scotia Trust Company of New York
67 Wall Street,New York,N.Y.10005
T.A.Boyles,*Chairman of the Board*
E.D.Hunter,*President*

Directors
F.S.Gross
H.Harfield
K.Helstern
E.D.Hunter
E.D.Loughney
H.J.Nave

K.Helstern,*Vice-President*
D.G.Friars,*Vice-President and Trust Officer*
F.S.Gross,*Secretary and Trust Officer*

Caribbean Regional Office
44 King St.W.,Toronto

R.G.Taylor,*General Manager*
L.A.Shaw,*Assistant General Manager*

Supervisors
G.Knapp
F.S.Polanski
W.W.Turnbull

Branch/Manager
Antigua
St.John's/H.H.Lust,P.B.Williams,*Asst.*

Bahamas
V.S.Einarson,*Area Manager*
Rawson Sq.Nassau
Freeport/M.T.Langille
George Town,Exuma/A. L. Davis,
Marsh Harbour,Abaco Island(Mrs.)J.E. Johnston,*Officer in charge*
Nassau,Rawson Sq./V.S.Einarson, C.C.Thompson,*Sr.Asst.* J.C.Griffith, *Asst.* D.S.McPhail,*Asst.* P.R.Curry,*Asst.*
Bay & Deveaux/R.L.Stone
Cable Beach/G.Wells
Marlborough & Navy Lion Road/R.E.Redden
Palmdale/P.R.Chalmers
Wulff Road & East Street/W.Boyko
Stella Maris,Long Island/Sub. to Nassau, Rawson Sq.

Barbados
Black Rock/H.B.Farnum
Bridgetown/R.W.Gallagher,J.F.Lindsay, *Sr.Asst.*,R.E.Smith,*Asst.*
Bridge Street/T.A.Gittens
Holetown,St.James/Sub.to Bridgetown
Worthing,Christ Church/C.A.Davis

Belize
Belize City/H.F.M.Buckeridge
J.J.Scott-Cowper,*Asst. Mgr.*
Independence St.Ann Creek/Sub.to Belize
Corozal/R.R.Salazar

Bermuda
See other associated organizations

Cayman Islands
Georgetown,Grand Cayman/C.M.Smith

Dominican Republic
Bonao/J.C.Frias
Puerto Plata/L.P.Morales
Santiago de los Caballeros/A.D.Perez
Santo Domingo/W.H.Hough,*Asst.*
Isabel la Catolica esq Mercedes/ L.A.Bobadilla
Av.Duarte esq Ave.Mella/J.R.Rosado

Grenada,W.I.
St.George's/P.F.Evelyn,R.W.Blackman,*Asst.*

Guyana (South America)
Georgetown/L.A.Greenidge

Haiti
Port-au-Prince/D.J.MacDairmaid, B.A.Theard,*Asst.*

Jamaica
See other associated organizations

Netherlands Antilles
See wholly owned subsidiary below and other associated organizations

Puerto Rico(Including Virgin Islands)
K.S.Rowe,*Area Manager*
c/o San Juan
Fajardo/C.C.Regnart
Hato Rey/R.Massheder
San Juan/J.J.Mari,M.A.Smith,*Sr.Asst.* L.Y.Aiken,*Asst.* J.H.Rockel,*Asst.*, M.A.Smith,*Asst.* J.F.Wright,*Asst.*
Santurce/J.A.McEnery,P.K.Smythe,*Asst.*

St. Lucia,W.I.
Castries/R.A.Bretsen
Vieux Fort/J.W.Collier,*Acting Manager*

Trinidad & Tobago
See other associated organizations

Virgin Islands (British)
Road Town,Tortola/R.G.H.Smith

Virgin Islands (U.S.)
Barbel Plaza,St.Thomas/F.T.S.Bullen
Charlotte Amalie,St.Thomas/G.D.Wylie D.K.L.Hurst,*Asst.*
Christiansted,St.Croix/S.D.Robertson
Golden Rock,St.Croix/F.C.H.Ashby
Frederiksted,St.Croix/R.J.Camp

Wholly owned subsidiary

The Bank of Nova Scotia N.V.
Philipsburg,St.Maarten,
P.O.Box 303,Netherlands
Antilles
C.E.Ritchie,*President & Chairman of the Board*

Directors
R.G.Taylor
W.S.McDonald

R.J.H.Dorie,*Managing Director*

United Kingdom and Europe, Middle East and Africa Regional Office
19/23 Knightsbridge,London SW1X 7LY

R.Marsman,*General Manager*
Assistant General Managers
H.L.Fawcett
D.King

Supervisors
J.D.Evans
A.E.Weir

Branch/Manager
United Kingdom and Ireland

London:
62-63 Threadneedle St.EC2P 2LS/ T.A.Cumming,G.N.Hway,*Deputy*, R.N.Brandman,*Asst.*D.S.T.Welsted,*Asst.* G.B.King,*Asst.* D.Grey,*Asst.* J.R.Leftley, *Asst.* W.M.Stock,*Asst.* F.N.Tisi,*Asst.*
Berkeley Square House, 10 Berkeley Sq., W1X 6DN/J.G.Keith,R.Hamer,*Asst.*
West End,11 Waterloo Place,S.W.1./ J.F.Brann,K.Bird,*Asst.*
Skyline Hotel Bath Rd., Harlington, Hayes/ D.Speller,*Manager*
Aberdeen,9 Golden Square,AB1 1R3/ J.M.A.Fitzpatrick,A.G.Galea,*Asst.*
Edinburgh,136 Princess Street,EH2 4ED/ L.C.P.O'Toole
Glasgow,50-52 West Nile St.,G12 PE1/ J.M.A.Tiemens,R.W.Baldock,*Asst.*
Belfast,30-34 North Street,BT1 1LA/ J.R.Brown

Republic of Ireland
Cork,52 South Mall/A.R.Thompson
Dublin,65-68 St.Stephens Green/L.K.Lynch P.C.Dolan,*Senior Asst.*, B.S.Perry,*Asst.*

Europe and Middle East

Belgium
Brussels:
66 boulevard de l'Imperatrice/ M.M.G.Brandenburg,G.Colonna,*Asst.* B.Tassin,*Asst.*

Greece
Athens:
Constitution Sq./E Calafatis,W.R.Barrett, *Asst.*

Piraeus:
51 Akti Miaouli/P.C.Yangas,*Acting Manager* P.D.Mantas,*Asst.*

Lebanon
Beirut:
Riad Solh Street/A.J.Bridi,M.Mourani,*Asst.* A.J.Philippe,*Asst.*,J.W.Ross,*Asst.*

Netherlands
Rotterdam:
Westblaak 30/32/T.Blankvoort,R.L.Beelen, *Asst.*,J.Dykstra,*Asst.*

West Germany
Frankfurt:D6000 Frankfurt/Main I
Friedensstrasse 4/R.P.Gerad,J.E.Rempel, *Asst.*P.Kluge,*Asst.*

Representative Office
Norway
Oslo 1, Norway
Kari Johan's Gate 17
A.Nerdrum,*Sp.Rep.*

Wholly owned subsidiaries

The Bank of Nova Scotia Trust Company (United Kingdom) Limited
10 Berkeley Square,London W1X6DN
T.A.Boyles,*Chairman of the Board*
Sir Brian E.S.Mountain,Bt., *Deputy Chairman of the Board*

Directors
The Hon.Donald M.Fleming,P.C.,Q.C.,D.C.L., LL.D.
R.Marsman
M.D.McAlpine

C.A.Fowle,*Managing Director*

The Bank of Nova Scotia Channel Islands Limited
Equity and Law House, LaMotte Street, Jersey, Channel Islands
T.A.Boyles, *Chairman of the Board*

Directors
L.P.Bechelet
R.Marsman
C.E.Ritchie
A.M.Wilkinson
P.J.Sullivan, *Managing Director*

Wholly owned subsidiary of The Bank of Nova Scotia Channel Islands Limited

The Bank of Nova Scotia Trust Company Channel Islands Limited
T.A.Boyles, *Chairman of the Board*

Directors
L.P.Bechelet
C.A.Fowle
R.Marsman
C.E.Ritchie
P.J.Sullivan

A.M.Wilkinson, *Managing Director*
L.P.Bechelet, *Asst. Manager*

Pacific Regional Office

CCPO Box 210, Makati, Rizal D-708, Manila, The Philippines
D.L.Lindsay, *General Manager*
J.D.R.Laidley, *Asst. General Manager*

Branch/Manager

Malaysia

Kuala Lumpur:
Bangunan Safety Insuran, 41 Jalan Melayu, Peti Surat 1056, Kuala Lumpur 01-03, Selangor, Malaysia/M.C.Johnston, Leow Bock Lim, *Asst.* Tunku Farid Hussain, *Asst.* M.D.Newton, *Asst.*

Singapore

1st Floor, Finlayson House, Raffles Quay, Singapore 1/T.L.Gibbs, D.Stewart, *Asst.* J.Little, *Asst.*, A.Leung, *Rep.*

Representative Offices

Hong Kong

Hong Kong: 2011 Connaught Centre/ W.T.Taylor, *Sr. Representative* T.S.Lo, *Representative*

Indonesia

Jakarta:
Wisma Nuranitara Bldg., 14th Flr., Jalan M.H. Thamrin 59, Indonesia/M.Santoso, *Senior Representative*

Japan

Tokyo 1, Marunouchi 1-chome, Chiyoda-ku, Tokyo 100/G.J.Korenaga, *Senior Representative*, H.Uehara, *Asst. Representative*

Wholly owned subsidiary

BNS International (Hong Kong) Limited
2011 Connaught Centre, Hong Kong
C.E.Ritchie, *President*

Directors
J.A.G.Bell
R.Marsman
W.S.McDonald
C.E.Ritchie

W.T.Taylor, *Managing Director*

Other Associated Organizations

Canada

BNS Mortgage Corporation
Central Covenants Holdings Limited
Scotia-Toronto Dominion Leasing Ltd.
Scotia Factors Limited
Scotiafund Financial Services Ltd.
Telaccount Limited

International

Adela Investment Company S.A.
Eurofinance S.A.
Malaysian Industrial Development Finance Berhad
P.T. Private Development Finance Company of Indonesia
Private Investment Company for Asia (PICA) S.A.

Bermuda National Bank Limited
Church Street, Hamilton
M.A.Gibbons, *Chairman of the Board*

Directors
R.L.Barnard
T.A.Boyles
A.H.Crockett
R.O.Marshall, M.C.P.
W.R.Parker
Lois M.R.Perinchief
C.E.Ritchie
C.H.B.Vaucrosson
The Hon. C.V.Woolridge, M.C.P.

A.McPhedran, *Managing Director*
M.A.Candy, *Manager*

Branch Offices
Southampton P.R.Bateman, *Acting Manager*
St.George's/J.B.Miller, *Acting Manager*

Wholly owned subsidiary of Bermuda National Bank Limited

Bermuda National Executor and Trustee Company Limited

Directors
R.L.Barnard
M.A.Candy
M.A.Gibbons
C.H.B.Vaucrosson

A.McPhedran, *Managing Director*

The Bank of Nova Scotia Jamaica Limited
5-7 King St., Kingston
A.H.Crockett, *Chairman of the Board*

Directors
J.A.G.Bell
T.A.Boyles
T.H.Donaldson
The Honourable Clinton Hart, P.C., O.B.E.
C.Henriques
R.D.C.Henriques, C.B.E.
D.J.Judah, C.B.E.
I.M.MacGregor,
M.M.Matalon,
C.E.Ritchie.

C.Henriques, *General Manager*
I.M.MacGregor, *Assistant General Manager*
C.F.Gill, *Assistant General Manager*
A.C.L.Delgado, *Secretary and House Counsel*

Supervisors
L.E.Mogg,
W.E.Phillips,
R.A.Gallager,
J.C.P.Smith.

I.J.Cowling,*Comptroller*
Branch/Manager
Black River/F.D.Jackson
Bog Walk/Sub.to Linstead
Brown's Town/H.B.Wint
Christiana/E.A.Richards
Claremont/Sub.to St.Ann's Bay
Clark's Town/Sub.to Discovery Bay
Discovery Bay/Mrs.G.R.Williams
Falmouth/M.A.Kong
Frankfield Sub.to Christiana
Highgate/D.Bromfield
Junction/Sub.to Santa Cruz

Kingston:
35-45 King St.,/G.L.Tattrie,A.Sanguinetti, *Deputy*,P.S.Rector,*Deputy*,E.J.W.Mears, *Asst.* N.A.Baker,*Asst.* K.I.Hastings,*Asst.* W.E.Wynter,*Asst.*
Cross Roads/W.A.Lawrence,M.A.Chin,*Asst.*
Duhaney Park Plaza/Satellite to Hagley Park Road
Duke Street/J.Brown, J.F.Brennan, *Asst.*
East Queen Street/C.A.Woung
Hagley Park Road/R.C.Green,E.G.Franklin *Asst.*
Half Way Tree/M.B.Hughes,A.C.Gordon, *Asst.*
Harbour and East Street/D.C.Rowbotham
Liguanea Plaza/G.C.Allen
Maxfield Plaza/J.A.J.Chin Sang
New Kingston/R.P.Fung
Northside Plaza/Sub.to Liguanea
Oxford & Old Hope Road/D.R.McIntosh
Newport West/S.G.Samough
Princess Street/N.R.Whittaker, F.C.Chin Sang,*Asst.*
Red Hills Road/J.H.McNaughton
Victoria Avenue & Blake Road/ A.P.Whitelock
Linstead/B.O.Walker
Lucea/Sub.to Savanna-la-Mar
Mandeville/W.M.Doherty
Manchester Shopping Centre/ B.A.Dewdney
May Pen/D.A.Chinn
Montego Bay/E.Nettleton,L.S.Chin,*Asst.* S.R.Chin,*Asst.*
Beachview Arcade/Sub.to Montego Bay
Barnett Street/Sub.to Montego Bay
Holiday Inn Rose Hall/Satellite to Montego Bay
Montego Freeport Shopping Centre/ Sub.to Montego Bay
Westgate/D.E.Crawford
Morant Bay/N.Hugh
Ocho Rios/J.C.Orrett
Old Harbour/Sub.to Wellington St., Spanish Town
Premier Plaza/L.F.R.Davis
Oracabessa/Sub. to Port Maria
Port Antonio/H.G.M.Ryan
Port Maria/D.A.Lazarus
St.Ann's Bay/A.S.Stona
Santa Cruz/G.R.Tingling
Savanna-la-Mar/B.O.W.Mair
Spanish Town/R.St.A.Golding
Wellington Street/P.A.Chin

Wholly owned subisidiary of The Bank of Nova Scotia Jamaica Limited

The Bank of Nova Scotia Trust Company of Jamaica Limited
30 Duke Street, Kingston,Jamaica
A.H.Crockett,*Chairman of the Board*

Directors
J.A.G.Bell
T.A.Boyles
Dr.A.Eldemire
M.W.L.Facey
Charles Henriques
R.J.Issa
O.E.Jones
I.M.MacGregor
C.E.Ritchie

A.M.Scott,LL.B.(Hons),*Manager*

Branch Office:Montego Bay/ A.G.Sanguinetti,*Trust Officer*

Controlled Corporations of The Bank of Nova Scotia
The West India Company of Merchant Bankers Limited
30 Duke St.,Kingston
(Also associated with The Bank of Nova Scotia Jamaica Limited)
A.H.Crockett,*Chairman of the Board*

Directors
J.N.Abell
J.A.G.Bell
T.A.Boyles
A.C.L.Delgado
W.S.McDonald
C.E.Ritchie
I.M.MacGregor

C.Henriques,*Managing Director*
C.W.Medhurst,*Manager*

The Bank of Nova Scotia Trust Company (Bahamas) Limited
Rawson Square,Nassau,Bahamas
T.A.Boyles,*Chairman of the Board*
Sir Brian E.S.Mountain,Bt.,*Deputy Chairman of the Board*

Directors
A.H.Crockett
C.W.Jameson
Sir Kenneth A.Keith
Sir Robin McAlpine,C.B.E.
C.E.Ritchie

The Hon.Donald M.Fleming,P.C.,Q.C.,D.C.L., LL.D.,*Managing Director*
John Bentley,A.C.I.S.,A.I.B.,*Secretary*
D.A.Young,A.I.B.,*Manager*

Branch Office:
Freeport,Grand Bahama
W.J.Meaddows,F.C.I.S.,A.A.I.A.,A.T.I.I., *Manager*

Wholly owned subsidiaries of The Bank of Nova Scotia Trust Company (Bahamas) Limited with common directorate

The Bank of Nova Scotia Trust Company (Cayman) Limited
Cardinal Avenue,Georgetown
Grand Cayman,Cayman Islands
R.D.Ellis,*Manager*

The Bank of Nova Scotia Trust Company (Caribbean) Limited

8 Broad Street, Bridgetown,Barbados
K.K.Pritchard,A.I.B.,*Manager*

The Bank of Nova Scotia Trinidad & Tobago Ltd.
116,Frederick Street,P.O.Box 621
Port of Spain,Trinidad
T.A.Boyles,*Chairman of the Board*

Directors
A.Ahamad
B.Arthurs
G.Chay
A.H.Crockett
J.de Lima
W.S.McDonald
C.E.Ritchie
M.de Souza
R.G.Taylor

B.Arthurs,*General Manager*
J.E.Swinimer,*Superviser*
J.Siewrattan,*Chief Accountant*
D. L. Martin,*Manager Personnel*
Branches/Managers
Arima/B.A.Nicholson
Chaguanas/A.G.Slack
Couva/J.Carbery
Marabella/C.W.Chin

Port of Spain:
1 Frederick St./B.Arthurs,J.B.Singh,*Sr.Asst.* R.G.Henderson,*Asst.*
Park & Pembroke/J.W.MacDonald
Queen & Charlotte/O.A.Mohammed
St. James/R.A.Vieira
Princes Town/N.L.Allum
Rio Claro/Sub. to Princes Town

San Fernando:
49 High Street/D.W.Gale,S.A.Waltress,*Asst.*
Cipero & Rushworth St./Miss C.C.Da Silva
Sangre Grande/L.K.Ng-A-Fook
San Juan/J.H.Hernandez
Scarborough,Tobago/J.M.Elias
Tunapuna/Sub.to San Juan

Wholly owned subsidiary of The Bank of Nova Scotia (Trinidad & Tobago) Limited

The Bank of Nova Scotia Trust Company of The West Indies Limited
Abercromby and Park Streets,
Port of Spain, Trinidad
T.À.Boyles,*Chairman of the Board*

Directors
A.Ahamad
A.H.Crockett
J.de Lima
M.de Souza
W.S.McDonald
C.E.Ritchie

B.Arthurs,*Managing Director*
J.P.Hutton,*Manager*

Maduro & Curiel's Bank N.V.
Willemstad,Curacao,Netherlands Antilles

Directors
V.Brandao
Morris E.Curiel
H.L.Guldemond
M.F.Henriquez
R.A.C.Henriquez
M.S.L.Maduro
W.S.McDonald
Rene Moreno
H.Randall

Managing Directors
Lionel Capriles
J.S.Roberts

Subsidiaries of Maduro & Curiel's Bank N.V.

Caribbean Credit Corporation N.V.
Curacao, Netherlands Antilles

Caribbean Mercantile Bank N.V.
Aruba, Netherlands Antilles
J.S.Roberts, *Managing Director*
G.J.Montgomery, *Manager*

Curacaose Hypotheekbank
Curacao, Netherlands Antilles

Maduro & Curiel's Trust Company N.V.
Curacao, Netherlands Antilles

Maduro & Curiel's Bank (Bonaire) N.V.
Bonaire, Netherlands Antilles

N.V. Trust en Administratie Maatschappij Van N.V. Maduro & Curiel's Bank
Curacao, Netherlands Antilles

N.V. Antilliaanse Management Company
Curacao, Netherlands Antilles

Spaar en Beleenbank van Curacao
Curacao, Netherlands Antilles

The Windward Islands Bank Limited
St.Maarten, Netherlands Antilles

United International Bank Limited
30 Finsbury Square, London, England
N.P.Biggs, *Chairman of the Board*
Williams & Glyn's Bank Limited

Directors
C.A.J.Bourlet,
Vice-Chairman & General Manager Credit du Nord S.A.
J.Cottier,
Chairman and Managing Director Banque Français du Commerce Exterieur
H.L.Guldemond,
General Manager & Director Bank Mees & Hope N.V.
K.Hartlieb,
Member of Executive Board Bayerische Hypotheken und Wechsel-Bank
M.I.Ch.Nordlander,
Director & Chief General Manager Sveriges Kreditbank
C.E.Ritchie,
Chairman and President The Bank of Nova Scotia
J.A.Sanchez-Asiain,
General Manager Banco de Bilbao
T.R.Wilcox, *Chairman and President Crocker National Bank*
A.Weissmuller,
Managing Director

The Bank of Nova Scotia
44 King Street West, Toronto, Canada M5H 1E2